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De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Twenty-Ninth Annual Report

For the year ending 30th June, 1917.

Directors:

FRANCIS OATS, **Chairman.**
SIR CARL MEYER, BART., **Deputy Chairman.**
CHARLES E. ATKINSON, J.P.
FRANCIS BARING-GOULD.
LUDWIG BREITMEYER.
GEORGE WM. COMPTON.
P. ROSS FRAMES.
D. J. HAARHOFF, J.P.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D., M.L.A.
FRIEDRICH HIRSCHHORN.
THE RT. HON. SIR STARR JAMESON, BART., P.C., C.B.
SOLOMON B. JOEL.
CHARLES E. NIND.
ROBERT PHILIPSON-STOW.
H. P. RUDD.
ACHILLE VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Managers:
IRVINE R. GRIMMER,
JOHN HARBOTTLE,
HAROLD T. DICKINSON.

Mechanical Engineer:
JOHN LIDDELL.

Electrical Engineer:
ROBERT W. SMITH.

Secretary:
WILLIAM PICKERING, D.S.O., J.P.

Assistant Secretary:
E. F. RAYNHAM, D.S.O.

Chief Accountant:
J. A. NEVILLE.

Diamond Valuator and Broker:
A. BRINK.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4.

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:
HAARHOFF, HERTOG & BURKE, KIMBERLEY.
COWARD & HAWKSLEY SONS & CHANCE, LONDON.

Auditors:
HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY AND BEATON, KIMBERLEY.

Bankers:
STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE UNION OF LONDON AND SMITH'S BANK, LIMITED, LONDON.

D.F.A., LTD., PRINTERS, KIMBERLEY

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1917,

To be submitted to the Shareholders at the Twenty-ninth Ordinary General Meeting to be held on the 30th November, 1917.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their Twenty-Ninth Annual Report and Balance Sheet at 30th June, 1917, and Profit and Loss Account for the year ended 30th June, 1917.

The balance of profit undistributed at 30th June, 1916, was represented by			
Suspense Profit Account—Diamonds unsold at that date..	£648,734 0 8		
Balance unappropriated	628,840 5 4		
		1,277,574 6 0	
During the year, as shown by the accompanying Statement, the diamonds sold, plus increase of stocks taken at cost, amounted to		4,629,771 14 5	
Add to this the following:—			
Interest and Dividends on Investments	217,182 6 7		
Net Revenue from Rents	4,454 13 10		
Revenue from other sources	24,256 10 5		
		245,893 10 10	
		£6,153,239 11 3	
Less Expenditure as follows:—			
Mining Expenditure during period of production	1,156,946 18 7		
Maintenance of Mines and Floors whilst closed down ...	139,098 18 6		
Expenditure on Farms, Charges, etc.	222,524 10 4		
Interest on Debentures and on Capital of Leased Companies	169,989 15 6		
Sinking Fund towards repayment of Debentures	74,256 11 10		
Expenditure consequent on the War:—			
Salaries and wages of employees on active service, etc. 68,799 15 8			
Donations to War Funds 72,461 18 6			
	141,261 14 2		
		1,904,078 8 11	
Leaving a balance of		£4,249,161 2 4	
Which has been dealt with as follows:—			
Income Tax (Consolidation) Act, 1917—Amount set aside	228,300 0 0		
Preference Shareholders:—			
Dividend of 20/- per share in respect of the year ended 31st December, 1916 ... ... 800,000 0 0			
Dividend of 10/- per share in respect of the half-year ended 30th June, 1917, after deduction of Dividend Tax 370,000 0 0			
	1,170,000 0 0		
Deferred Shareholders:—			
Dividend of 20/- per share	1,000,000 0 0		
		2,398,300 0 0	
Balance undistributed carried to next year:—			
Suspense Profit Account—Diamonds unsold 30th June, 1917	715,578 19 11		
Balance unappropriated	1,135,282 2 5		
		1,850,861 2 4	

The stock of blue ground and lumps on the floors at 30th June, 1917, was as follows:—

De Beers Mine	48,396 loads.
Wesselton Mine	2,752,386 ,,
Bultfontein Mine	2,718,353 ,,
Dutoitspan Mine	2,772,587 ,,
	8,291,722 loads.

The Profit and Loss Account shows that the revenue from diamonds amounted to £4,629,771 14s. 5d., though the actual sales amounted to £4,606,750 10s. 5d. The difference between these figures represents the increase of diamond stocks during the year at cost of production.

The revenue from all other sources amounted to £245,893 10s. 10d.

The Mining Expenditure, productive and non-productive, amounted to £1,296,045 17s. 1d.; Charges, Expenditure on Farms, Landed Property, and Tramways, amounted to £138,853 8s. 6d. Interest on Capital of Leased Companies and Interest and Sinking Fund on Debentures amounted to £244,246 7s. 4d. Donations totalled £132,472 3s. 1d., including £72,461 18s. 6d. to War Funds, and £25,000 to the University of Stellenbosch for the erection of a Laboratory of Chemistry. Compensation and annual leave payments to employees amounted to £23,660 17s. 3d., whilst Salaries and Wages paid to employees on active service amounted to £68,799 15s. 8d.

The total expenditure amounted to £1,904,078 8s. 11d., as against revenue £4,875,665 5s. 3d., the result being that £2,971,586 16s. 4d. was carried to the credit of Appropriation Account.

The General Reserve Fund stands at £1,701,765 0s. 9d., and the Fund to redeem the De Beers 4½% Exploration Debentures has been increased to £421,193 2s. 2d., the two funds being represented by securities which have been taken into the accounts at the market prices on the 30th June, 1917.

Your Directors are glad to report that a steady, though limited, demand for diamonds has continued during the year.

The profit earned enabled the Company to pay off all arrears of dividends due to Preference Shareholders at 31st December, 1916, and the usual dividend of 10s. per share was paid to Preference Shareholders for the half year ended 30th June, 1917.

After providing for these Preference Dividends there remained a substantial balance of profit, and your Directors declared a dividend of 20s. per share to Deferred Shareholders at 30th June 1917, which it is felt sure was appreciated by them, as they had not received any dividends for three years.

The Chairman, in his addresses to Shareholders, has on several occasions spoken on the vital importance of controlling the production of diamonds so as to limit it to the world's requirements, and, to attain this end, this Company has, in the past, spent large sums in the purchase of Diamond Mines and Diamond Mining interests. Your Directors have now to report that, following the same policy, the Company acquired in January last, through Mr. S. B. Joel, a controlling interest in the Premier (Transvaal) Diamond Mining Company, Ltd. This acquisition was essential for the proper and efficient control of the pro-

duction and sale of diamonds, and it has already enabled prices to be substantially increased, which will greatly benefit this Company and all other producers of diamonds as well, and also the Government of the Union of South Africa.

Your Directors have pleasure in reporting that Mr. P. Ross Frames joined the Board on the 23rd May last, filling the vacancy caused by the death of Mr. Harry Mosenthal.

It is with deep regret that they have to report the death, since the close of the financial year, viz., on 5th August last, of Mr. Charles Edward Atkinson, who had been a Director of the Company since its formation, and by whose death they have lost a valued colleague.

On reference to the General Manager's Report, it will be seen that a large number of the Company's employees are still serving with the Forces in Europe, East Africa, and other spheres of operations. It is with deep regret that your Directors have to report that during the year 39 employees have been killed in action, or met their deaths from causes arising out of the war.

The Cape Explosives Works, Limited, which is owned and controlled by your Company, has, in spite of the difficulties of obtaining raw materials for the manufacture of explosives, continued its operations very successfully during the year. The sales of explosives amounted to 437,158 cases, as against 386,741 cases for the previous year.

A Report by the General Manager on the operations of the Company during the year will be submitted at the Meeting.

In terms of clause 84, sub-section (c) of the Company's Articles of Association, three Directors retire, namely:—

Sir David Harris,
Friedrich Hirschhorn,
Robert Philipson-Stow,

but, being eligible, they offer themselves for re-election.

FRANCIS OATS, Chairman,
G. W. COMPTON,
P. ROSS FRAMES,
D. J. HAARHOFF,
D. HARRIS,
F. HIRSCHHORN,
R. PHILIPSON-STOW,
} Directors.

Kimberley,
10th September, 1917.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :			
800,000 Preference Shares @ £2 10s. 0d. each	2,000,000 0 0		
1,000,000 Deferred Shares @ £2 10s. 0d. each	2,500,000 0 0		
		4,500,000	0 0
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930		1,635,495	0 0
RESERVES (per Contra) :			
General Fund	1,701,765 0 9		
Redemption Fund : South African Exploration Debentures	421,193 2 2		
	2,122,958 2 11		
Blue Ground Stocks, 30th June, 1917, at cost	1,191,071 0 11		
		3,314,029	3 10
SUSPENSE LIABILITY under Agreements with Leased Companies...		70,117	13 1
CAPE EXPLOSIVES WORKS, LIMITED		58,037	2 5
LIABILITY ON STOCKS AND SHARES (per Contra)		1,250,000	0 0
CURRENT LIABILITIES :			
Loans and Open Accounts	363,966 1 7		
Unclaimed Dividends and Sundries	265,835 6 5		
Interest on Debentures accrued to date	36,798 12 9		
Commissioner of Inland Revenue, Union of South Africa, Estimated	228,000 0 0		
Preference Shareholders : Dividend declared 25th June, 1917	370,000 0 0		
Deferred Shareholders : Dividend declared 25th June, 1917	1,000,000 0 0		
		2,264,600	0 9
SUSPENSE PROFIT ACCOUNT :			
Diamonds, per contra, unsold at date	414,076 7 4		
Participation in South West Africa Diamonds unrealized at date	301,502 12 7		
		715,578	19 11
BALANCE TRANSFERRED FROM APPROPRIATION ACCOUNT ..		1,135,282	2 5
		£14,943,140	2 5

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 29th September, 1917.

MINES, LIMITED.

30TH JUNE, 1917.

PROPERTY :			
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,248,553 11 8		
Estates purchased from the London and South African Exploration Company, Limited	1,635,495 0 0		
Farms and other Landed Property	95,386 18 6		
Machinery, Permanent Works, Offices, Compounds and Stand Property	1 0 0		
		4,979,436	10 2
INVESTMENTS IN STOCKS AND SHARES (see Liability per Contra)		3,121,885	5 0
RESERVES (per Contra) :			
Investments, representing Funds per contra at Market Prices 30th June, 1917	2,122,958 2 11		
Blue Ground on Floors :			
8,291,722 loads at cost deposited on Floors	1,191,071 0 11		
		3,314,029	3 10
TIMBER, FUEL, AND OTHER MINING STORES		412,839	11 3
LIVE STOCK		22,661	19 4
DEBTORS, SPECIAL INVESTMENTS, BILLS, AND CASH :			
Open Accounts	383,087 3 8		
Short Loans against Security	500,000 0 0		
Special Investments at Market Prices 30th June, 1917 ...	1,045,626 5 4		
Bills Receivable	295,185 16 8		
Cash at Bankers and in hand—Kimberley and London ...	152,809 7 3		
		2,376,708	12 11
DIAMONDS on hand at cost of production		414,076	7 4
PARTICIPATION IN SOUTH WEST AFRICA DIAMONDS ...		301,502	12 7
		£14,943,140	2 5

W. PICKERING, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto including the

HOWARD PIM & HARDY,
SALISBURY & BEATON, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT, FOR THE

To Productive Mining Expenditure				
Wesselton Mine:				
Cost of hauling Blue Ground washed	274,532 11 0			
Washing Expenses	119,957 2 0			
		394 489 13 0		
Bultfontein Mine:				
Cost of hauling Blue Ground washed...	226,602 2 5			
Washing Expenses	130,387 4 0			
		356,989 6 5		
Dutoitspan Mine:				
Cost of hauling Blue Ground washed...	265,317 15 9			
Washing Expenses	140,150 3 5			
		405,467 19 2		
			1,156,946 18 7	
„ Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway			48,171 15 6	
„ Charges:				
Salaries, &c., Head Office		23,934 13 11		
General Charges, Stationery Cables, Travelling Expenses, Licences, Agents' Expenses, and Sundries		29,795 3 8		
Legal Expenses		1,461 10 0		
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894, and also including Donation of £25,000 to the University of Stellenbosch ...		60,010 4 7		
Compensation		5,746 19 11		
Auditors' Fees		1,400 0 0		
London Transfer Office—Net Expenses		4,158 4 1		
Directors' Fees		29,932 1 4		
Annual Leave to Employees		17,913 17 4		
			174,352 14 10	
„ Interest on Capital of Leased Companies			96,392 10 0	
„ Interest on Debentures			73,597 5 6	
„ Sinking Fund for Repayment of Debentures			74,256 11 10	
„ Maintenance of Mines and Floors while closed down ...			139,098 18 6	
Carried forward			£1,762,816 14 9	

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1917. Cr.

By Diamond Account	£4,629,771	14	5
„ Interest and Dividends on Investments after adjusting Reserve and Special Investments to Market Prices at 30th June, 1917	217,182	6	7
„ Net Revenue from Rents	4,454	13	10
„ Sundry Receipts	21,846	2	11
„ Transfer Fees	190	7	6
„ Profits realized on Investments	2,220	0	0

Carried forward £4,875,665 5 3

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

Brought Forward				1,762,816 14 9
„ EXPENDITURE CONSEQUENT ON THE WAR:				
Salaries and Wages of Employees on Active Service, War Bonus, etc.		68,799 15 8		
Donations to War Funds:				
Governor-General's Fund	20,000 0 0			
French Red Cross Fund	25,000 0 0			
British Red Cross Fund	25,000 0 0			
Sundry Contributions	2,461 18 6			
		72,461 18 6		
				141,261 14 2
„ BALANCE carried to Appropriation Account				2,971,586 16 4
				£4,875,665 5 3

APPROPRIATION

To INCOME TAX (Consolidation) ACT OF 1917: Union of South Africa: estimated...			228,300 0 0
„ PREFERENCE DIVIDEND ACCOUNT:			
20/- per share on 800,000 shares payable to Preference Shareholders registered at 31st December, 1916, in respect of the year ended 31st December, 1916 ...		800,000 0 0	
10/- per share on 800,000 shares payable to Preference Shareholders registered at 30th June, 1917, in respect of six months ended 30th June, 1917	400,000 0 0		
Less Union of South Africa Dividend Tax ...	30 000 0 0		
		370,000 0 0	
			1,170,000 0 0
„ DEFERRED DIVIDEND ACCOUNT:			
20/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 30th June, 1917			1,000,000 0 0
„ SUSPENSE PROFIT ACCOUNT:			
Diamonds unsold, at date, at cost ...		414,076 7 4	
Participation in South West Africa Diamonds unrealized at date ...		301,502 12 7	
			715,578 19 11
„ BALANCE, carried to Balance Sheet			1,135,282 2 5
			£4,249,161 2 4

KIMBERLEY, 29th September, 1917.

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1917.—*Continued.*

Cr.

Brought Forward			4,875,665 5 3
			£4,875,665 5 3

ACCOUNT.

By Balance transferred from Profit and Loss Account			2,971,586 16 4
„ Balance unappropriated 30th June, 1916			628,840 5 4
„ Suspense Profit:			
Diamonds unsold 30th June, 1916, now written back ...	347,010 19 9		
Participation in South West Africa Diamonds, unrealized 30th June, 1916, now written back	301,723 0 11		
			648,734 0 8
			£4,249,161 2 4

W. PICKERING, *Secretary.*

JNO. A. NEVILLE, *Chief Accountant.*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED

" " 2—DE BEERS MINE.

" " 3—WESSELTON MINE.

" " 4—BULTFONTEIN MINE

" " 5—DUTOITSPAN MINE.

" " 6—TAILINGS.

" " 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s d.	
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	901,818 0 5	1·283	19 8·75	25 3·75	9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525.386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2 435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525½	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

*These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8/5·29	693,482¾	38	47/9·24	18/1·83	1,033,060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0.67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1914	Nil.	75,815	6/7.34	27.346½	36	80/10.21	29/1.28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	Nil.	Nil.	Nil.	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	Nil.	Nil.	Nil.	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	Nil.	Nil.	Nil.	48,396

KIMBERLEY MINE.

June 30th, 1917 ... ... *76 cts ... ... * Includes 9½ carats debris,

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	·27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	·30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1 393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1 067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10 02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334		227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.
BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19/2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4/4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11/9	3,138,321
June 30th, 1916	60,997	864,052		342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3/9·856	675,401¾	38	46/11	17/9·94	2,665,777

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.
*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904 Development.	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10.28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15/8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19/1·11	4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7·87	4,358,185
*June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6·25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597		20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	†377,571¼	19	106/11·93	20/3·94	2,411,618

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended 8th August, 1914, owing to the war. †Includes 9 cts. debris.

TABLE No. 6.

TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced. £ s. d.
June 30th, 1901	265,239	50,147½	58,484 12 6
June 30th, 1902	1,151,816	202,830	251,870 12 3
June 30th, 1903	1,347,115	227,477	281,433 18 0
June 30th, 1904	1,881,090	399,065½	442,771 13 5
June 30th, 1905	1,616,030	257,059¾	311,030 7 2
June 30th, 1906	2,200,964	306,190¾	428,177 0 0
June 30th, 1907	4,370,221	557,897¼	800,273 5 0
June 30th, 1908	2,986,778	385,857	*a* 439,876 8 5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3,956	411
June 30th, 1916	—	—
June 30th, 1917	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.

KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—

*Productive operations suspended 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT

To the Chairman and Directors of

DE BEERS CONSOLIDATED MINES, LIMITED

GENTLEMEN,

I beg to submit for your consideration my Report on the mining operations of the Company for the year ended 30th June, 1917.

Mining operations were resumed at Dutoitspan Mine on the 7th May—near the close of the year—and in the circumstances no mining costs are shown.

Notwithstanding the increase in cost of stores and supplies owing to the continuance of the War, it will be seen that the working costs for the year compare favourably with pre-war costs.

DE BEERS MINE.

The mining of blue ground in this mine was suspended on the 31st July, 1908, and has not yet been resumed.

Development Work.—No development work was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 2,090 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

Output of Blue Ground.—No hoisting was done during the year.

Output of Reef and Blue Mixed.—No reef and blue mixed was hoisted during the year.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 3,520 foot level is estimated to be 2,000,000 loads.

Water.—The average quantity of water pumped from the mine was 5,988 gallons per hour.

Development Work.—No development work was done during the year.

The depth of the Main Rock Shaft is 3,601 feet.

The depth of the Atkins Shaft is 1,009 feet.

The average depth of the Open Mine is 1,200 feet from the surface, and 897 feet from the top of the hard rock. The deepest point is 1,300 feet from the surface.

KIMBERLEY FLOORS.

No blue ground was washed during the year.

No reef and blue mixed was washed during the year, and the stock remains at 571,176 loads.

WESSELTON MINE.

Output of Blue Ground.—The output of blue ground was 1,814,393 loads, as follows:—

500 foot level	15,730 loads.
540 ,, ,, ...	54,270 ,,
580 ,, ,, ...	66,053 ,,
620 ,, ,, ...	70,065 ,,
660 ,, ,, ...	294,896 ,,
700 ,, ,, ...	392,648 ,,
740 ,, ,, ...	377,622 ,,
780 ,, ,, ...	377,638 ,,
820 ,, ,, ...	143,338 ,,
860 ,, ,, ...	11,162 ,,
900 ,, ,, ...	4,838 ,,
940 ,, ,, ...	2,584 ,,
980 ,, ,, ...	3,549 ,,
Total	1,814,393 loads.

47,558 loads of reef or waste ground were also hoisted.

Hoisting was done from the 980 foot level.

The cost of mining and depositing was 3s. 4.71d. per load, as against 3s. 2.18d. for the year ended 30th June, 1914.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 13,900,000 loads. It is estimated that between the 980 foot level and the 1,550 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 39,600 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock	2,288	feet.
Tunnels driven in blue ground	27,163	,,
Passes sunk in rock	309	,,
Passes sunk in blue ground	2,213	,,
Prospect Shaft sunk in rock	230	,,
Excavations—Blue	2,000	cubic feet.
Excavations—Rock	32,550	,, ,,

The depth of No. 1 Main Rock Shaft is 1,119 feet.
The depth of No. 2 Main Rock Shaft is 1,667 feet.

WESSELTON FLOORS.

The stock of blue ground at the end of last year was 2,607,097 loads; 1,814,393 loads were deposited, and 1,669,104 loads were washed, leaving a balance of 2,752,386 loads.

The cost of washing was 1s. 5.249d. per load, as against 1s. 1.74d. for the previous year.

The average cost of mining and washing was 4s. 9.959d. per load, as against 4s. 7.28d. for the year ended 30th June, 1914.

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 2,092,267 loads, as follows:—

720 foot level	147,079	loads.
760 ,, ,,	350,255	,,
800 ,, ,,	413,466	,,
840 ,, ,,	549,450	,,
880 ,, ,,	557,077	,,
920 ,, ,,	64,188	,,
1,050 ,, ,,	2,230	,,
1,100 ,, ,,	573	,,
1,150 ,, ,,	2,316	,,
1,200 ,, ,,	365	,,
1,250 ,, ,,	2,296	,,
1,350 ,, ,,	757	,,
1,450 ,, ,,	139	,,
1,550 ,, ,,	144	,,
1,600 ,, ,,	1,932	,,
Total	2,092,267	loads.

11,824 loads of reef or waste ground were also hoisted.

Hoisting was done from the 1,000 foot level.

The cost of mining and depositing was 2s. 4.094d. per load, as against 2s. 10.29d. for the year ended 30th June, 1914.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 8,000,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 21,450 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock	1,454 feet.
Tunnels driven in blue ground...	22,692 ,,
Passes sunk in rock	723 ,,
Passes sunk in blue ground	741 ,,
Inclines sunk in rock	393 ,,

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

BULTFONTEIN FLOORS.

The stock of blue ground at the end of last year was 2,335,266 loads; 2,092,267 loads were deposited, and 1,761,756 loads were washed—of which 8,631 loads were returned to stock as lumps—leaving a balance of 2,665,777 loads.

The stock of cylinder lumps at the end of last year was 43,945 loads; 8,631 loads were deposited, making a balance of 52,576 loads.

The cost of washing was 1s. 5.762d. per load, as against 1s. 3.88d. for the previous year.

The average cost of mining and washing was 3s. 9.856d. per load, as against 4s. 4.29d. for the year ended 30th June, 1914.

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 135,650 loads, as follows:

470 foot level	17,404 loads.
510 ,, ,, ...	12,383 ,,
550 ,, ,, ...	83,965 ,,
590 ,, ,, ...	21,671 ,,
750 ,, ,, ...	227 ,,
Total	135,650 loads.

2,090 loads of reef or waste ground were also hoisted.

Hoisting was done from the 750 foot level.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 13,100,000 loads. It is estimated that between the 750 foot level and the 1,300 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 6,203 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in blue ground...	415 feet.
Passes sunk in rock	120 ,,
Excavations—Rock	11,000 cubic feet

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

The stock of blue ground at the end of last year was 4,233,303 loads; 135,650 loads were deposited, and 1,957,335 loads were washed, leaving a balance of 2,411,618 loads.

No cylinder lumps were deposited or treated during the year, and the stock remains at 360,969 loads.

The cost of washing was 1s. 5.185d. per load, as against 1s. 6.19d. for the year ended 30th June, 1914.

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Present Year.	Previous Year.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	1,814,393	43,586
Bultfontein Mine	2,092,267	60,997
Dutoitspan Mine	135,650	—
Total	4,042,310	104,583

LOADS BLUE GROUND WASHED.

	Present Year.	Previous Year.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	1,669,104	885,334
Bultfontein Mine	1,761,756	864,052
Dutoitspan Mine	1,957,335	108,597
Total	5,388,195	1,857,983

STOCKS.—LOADS.

	BLUE.		LUMPS.		TOTAL.	
	30th June, 1917.	30th June, 1916.	30th June, 1917.	30th June, 1916.	30th June, 1917.	30th June, 1916.
De Beers Mine	48,396	48,396	—	—	48,396	48,396
Kimberley Mine ...	—	—	—	—	—	—
Wesselton Mine ...	2,752,386	2,607,097	—	—	2,752,386	2,607,097
Bultfontein Mine ...	2,665,777	2,335,266	52,576	43,945	2,718,353	2,379,211
Dutoitspan Mine ...	2,411,618	4,233,303	360,969	360,969	2,772,587	4,594,272
Total	7,878,177	9,224,062	413,545	404,914	8,291,722	9,628,976

REEF AND BLUE MIXED.

	30th June, 1917.	30th June, 1916.
Kimberley Mine	571,176	571,176

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Present Year.	Previous Year.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	.27 ct.	.26 ct.
Bultfontein Mine	.38 ct.	.40 ct.
Dutoitspan Mine	.19 ct.	.19 ct.

GENERAL REMARKS:

Tramways.—The Tramway System has been well patronized by the general public. In addition to the Company's employees, who travel free of charge, and school children and shop assistants, who are conveyed at reduced fares, 2,616,854 passengers were carried during the year, as against 2,213,301 for the previous year.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 883,984 units, as against 792,584 for the previous year.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 12.23 inches, as compared with 11.56 inches for the previous year.

The rainfall for the last seven years was as follows:—

Year ending 30th June,	1911	...	13.85 inches.
,, ,, ,, ,,	1912	...	16.83 ,,
,, ,, ,, ,,	1913	...	14.49 ,,
,, ,, ,, ,,	1914	...	10.82 ,,
,, ,, ,, ,,	1915	...	17.10 ,,
,, ,, ,, ,,	1916	...	11.56 ,,
,, ,, ,, ,,	1917	...	12.23 ,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1917, was approximately 270,031,000 gallons, as compared with approximately 410,188,000 gallons on the 30th June, 1916.

Purified Water.—All our boiler plants were supplied with water from the purifying plant at Wesselton Mine.

Employees.—The number of white employees at 1st July, 1916, was 1,306 men and 97 lads, and at 30th June, 1917, 1,926 men and 158 lads. These figures do not include the men on Active Service, viz., 526 white employees at the 1st July, 1916, and 354 at the 30th June, 1917.

The number of natives employed at 1st July, 1916, was 6,656, and at 30th June, 1917, 10,548.

Native Labour.—The native labour required by the Company was practically supplied by natives voluntarily presenting themselves at the Compounds.

THE WAR.

Bonus.—As from the 1st January, 1917, a war bonus of £2 per mensem has been paid to all European employees of the Company—whether at work or on Active Service—irrespective of position.

The Company continues to allow to its employees with the Union Forces, the difference between their Company half pay and their Military pay, the married men retaining their separation allowance, which is not deemed to be "pay," whilst employees with the Forces overseas are allowed half their Company pay in addition to their Military pay and allowances. The expenditure to 30th June, 1917, was as follows:—

	Year ended 30th June, 1915.	Year ended 30th June, 1916.	Year ended 30th June, 1917.	Total.
Overseas Forces	—	£18,805 19 9	£26,453 18 1	£45,259 17 10
Union Military Forces	£67,854 10 3	£50,534 4 2	£10,936 13 2	£129,325 7 7
War Bonus to employees on Active Service	—	—	£4,029 12 8	£4,029 12 8
Total	£67,854 10 3	£69,340 3 11	£41,420 3 11	£178,614 18 1

The number of employees on Active Service at 30th June, 1917, was as follows:—

Overseas	238
Union Military Forces	116
Total	354

CASUALTIES.

I regret to have to report that there have been many casualties amongst employees on Active Service.

The following list gives all the casualties since the War began, and has been compiled from the Official Casualty Lists published up to 19th October, 1917.

Pte. Henry Acres, of Dutoitspan Mine Compound—Oversea Infantry—slightly wounded in action in France (Casualty List No. 106, dated 24th April, 1917). Killed in action in France (Casualty List No. 131, dated 10th October, 1917).

Pte. E. S. Anderson, of the Pulsator—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916). Killed in action in France 3rd January, 1917 (Casualty List No. 93, dated 27th January, 1917).

Pte. W. E. Anderson, of Wesselton Mine—2nd Battalion Kimberley Regiment—killed in action at Trekkopjes, S.W.P., 26th April, 1915.

Major J. N. F. Armstrong, Mining Engineer—Royal Engineers—killed in action in France, 5th July, 1916.

Pte. A. F. Baird, of Bultfontein Mine—4th South African Infantry—killed in action in France (Casualty List No. 111, dated 8th May, 1917).

Pte. Cyril Bishop, of Dutoitspan Mine—Oversea Infantry—missing after action in France since 17th October, 1916 (Casualty List No. 83, dated 16th November, 1916). Death now accepted (Casualty List No. 115, dated 6th June, 1917).

Sergt. C. H. Botha, of Wesselton Floors—5th South African Native Labour Contingent—drowned off the Isle of Wight, 21st February, 1917, through collision and sinking of transport "Mendi" (Casualty List No. 114, dated 30th May, 1917).

Pte. S. A. H. Bothma, of Wesselton Mine—Oversea Infantry—missing after action in France (Casualty List No. 61, dated 12th August, 1916). Death now accepted (Casualty List No. 100, dated 29th March, 1917).

Lieut. W. T. C. Braine, of the Diamond Sorting Department, Head Office—3rd West Riding Regiment (Duke of Wellington's)—killed in action in France, 11th October, 1916.

Pte. T. E. Brocklebank, of Dutoitspan Mine—Oversea Infantry—died of wounds received in action in France (Casualty List No. 81, dated 6th November, 1916).

L/Cpl. J. H. Brown, of Wesselton Floors—Cape Peninsula Rifles—accidentally killed on Railway at Capetown, 19th May, 1916.

Lieut. H. D. Lardner Burke, of Dutoitspan Mine—5th South African Infantry—killed in action in East Africa, 20th June, 1916 (Casualty List No. 44, dated 27th June, 1916).

Pte. A. W. Byrne, of Bultfontein Mine—Oversea Infantry—killed in action in France, 18th October, 1916 (Casualty List No. 84, dated 23rd November, 1916).

Pte. H. B. D. Coxen, of Bultfontein Floors—85th Battalion Rifle Brigade—died at Etaples, France, 6th October, 1915, of wounds received in action.

L/Cpl. J. J. Cross, junr., of Kimberley Mine—2nd Battalion Border Regiment—killed in action in France, 25th September, 1915.

L/Cpl. P. M. Dickins, of Dutoitspan Mine—1st South African Infantry—killed in action in France, 14th September, 1916 (Casualty List No. 73, dated 30th September, 1916).

L/Cpl. F. R. J. Dring, of Wesselton Floors—Oversea Infantry—killed in action in France (Casualty List No. 84, dated 23rd November, 1916).

Pte. H. W. Fairweather, of Kimberley Mine—Oversea Infantry—killed in action in France (Casualty List No. 125, dated 13th September, 1917).

Pte. D. J. Farquharson, of Bultfontein Mine—Oversea Infantry—killed in action in France, 11th October, 1916 (Casualty List No. 79, dated 26th October, 1916).

Pte. S. L. Feneysey, of De Beers Floors—Oversea Infantry—died of wounds received in action in France (Casualty List No. 114, dated 30th May, 1917).

Pte. W. J. Fink, of Wesselton Mine—Oversea Infantry—severely wounded in action in France (Casualty List No. 107, dated 25th April, 1917). Accidentally drowned at Walton-on-Thames, 20th July, 1917 (Casualty List No. 120, dated 26th July, 1917).

Tpr. A. H. Fisher, of Bultfontein Mine Compound—Kimberley Central Commando—died at Upington, 11th November, 1914.

Pte. J. L. Fivaz, of Dutoitspan Mine—1st South African Infantry—wounded in action in France (Casualty List No. 57, dated 3rd August, 1916). Dangerously wounded in action in France (Casualty List No. 127, dated 28th September, 1917). Died of wounds (Casualty List No. 129, dated 4th October, 1917).

Gunner J. W. Francke, of Kimberley Mine—South African Heavy Artillery—killed in action in France, 23rd September, 1917 (Casualty List No. 131, dated 10th October, 1917).

Pte. John Fraser, of Wesselton Mine—1st South African Infantry—missing after action in France since 18th July, 1916 (Casualty List No. 61, dated 12th August, 1916). Death now accepted (Casualty List No. 111, dated 8th May, 1917).

Pte. C. A. Furmidge, of Dutoitspan Floors—1st South African Infantry—missing after action in France since 18th July, 1916 (Casualty List No. 61, dated 12th August, 1916). Death now accepted (Casualty List No. 100, dated 29th March, 1917).

Pte. A. H. Good, of Dutoitspan Mine—2nd Battalion Kimberley Regiment—died of wounds received in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. J. J. Gravell, of Bultfontein Mine—2nd South African Infantry—died of wounds received in action in France (Casualty List No. 52, dated 27th July, 1916).

Pte. E. P. Gregory, of the Convict Station—2nd Battalion Kimberley Regiment—died 12th October, 1914.

Capt. Fred Harrison, of the Head Office—2nd Battalion Kimberley Regiment—died of wounds received in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. W. S. Harvey, of Dutoitspan Floors—5th South African Infantry—died of wounds received in action in East Africa (Casualty List No. 46, dated 5th July, 1916).

Pte. F. H. Indge, of Dutoitspan Floors—1st South African Infantry—killed in action in France, 16th July, 1916 (Casualty List No. 59, dated 8th August, 1916).

Pte. H. M. E. Jakins, of Bultfontein Mine Compound—Oversea Infantry—killed in action in France, 20th September, 1917 (Casualty List No. 131, dated 10th October, 1917).

Pte. A. L. Johnston, of Wesselton Mine—6th Battalion Australian Infantry—wounded in the landing on Gallipoli Peninsula, 8th May, 1915. Again wounded during subsequent operations on the Gallipoli Peninsula, 6th August, 1915. Killed in action in France, 12th November, 1916.

Pte. E. J. Johnston, of the Workshops—Oversea Infantry—missing after action in France since 18th October, 1916 (Casualty List No. 84, dated 23rd November, 1916). Death now accepted (Casualty List No. 119, dated 16th July, 1917).

Pte. W. A. Kenney, of Dutoitspan Floors—Oversea Infantry—died of wounds received in action in France (Casualty List No. 112, dated 16th May, 1917).

Pte. W. J. Kirkham, of the Convict Station—1st South African Infantry—wounded in action in France (Casualty List No. 55, dated 1st August, 1916). Killed in action in France (Casualty List No. 73, dated 30th September, 1916).

L/Sergt. A. E. Lennox, of Wesselton Compounds—Oversea Infantry—missing after action in France (Casualty List No. 84, dated 23rd November, 1916). Death now accepted (Casualty List No. 117, dated 21st June, 1917).

L/Cpl. William McFarlane, of Dutoitspan Mine—Oversea Infantry—died of wounds received in action in France (Casualty List No. 133, dated 19th October, 1917).

Pte. J. C. McGregor, of the Workshops—Oversea Infantry—missing after action in France (Casualty List No. 61, dated 12th August, 1916). Death now accepted (Casualty List No. 100, dated 29th March, 1917).

Pte. T. W. McGuinness, of Dutoitspan Mine—Oversea Infantry—died of wounds received in action in France (Casualty List No. 128, dated 3rd October, 1917).

Pte. Donald McTavish, of Wesselton Floors—South African Veteran Regiment—died at Aus, S.W.P., 13th September, 1915.

Pte. W. C. Manuel, of Wesselton Mine—8th South African Infantry—died as result of accident in East Africa (Casualty List No. 7, dated 7th February, 1916).

Pte. John Martin, of De Beers Floors—Oversea Infantry—killed in action in France (Casualty List No. 93, dated 27th January, 1917).

Tpr. D. J. Mitchell, of Wesselton Mine—Kimberley Central Commando—killed in action near Upington, 24th January, 1915.

Pte. W. F. Moore, of Dutoitspan Mine—Oversea Infantry—missing after action in France since 18th October, 1916 (Casualty List No. 84, dated 23rd November, 1916). Death now accepted (Casualty List No. 120, dated 26th July, 1917).

Pte. Duncan Munro, of the Workshops—1st South African Infantry—died of wounds received in action in France (Casualty List No. 52, dated 27th July, 1916).

Pte. William Needham, of the Workshops—1st South African Infantry—killed in action in France (Casualty List No. 67, dated 1st September, 1916).

Pte. Alfred Nicholson, of the Land Survey Department, Head Office—4th South African Infantry—killed in action in France, 18th July, 1916 (Casualty List No. 60, dated 9th August, 1916).

Pte. H. J. A. Poulton, of De Beers Floors—Oversea Infantry—wounded in action in France (Casualty List No. 99, dated 20th March, 1917). Killed in action in France (Casualty List No. 115, dated 6th June, 1917).

L/Cpl. W. R. Rae, of the Workshops—Oversea Infantry—killed in action in France, 18th October, 1916 (Casualty List No. 82, dated 10th November, 1916).

Pte. H. W. Rogers, of Wesselton Floors—South African Veteran Regiment—died at Kimberley, 11th March, 1915.

Pte. A. A. W. Rule, of Wesselton Mine—1st South African Infantry—killed in action in France, 12th October, 1916 (Casualty List No. 82, dated 10th November, 1916).

Pte. Frederick Slinger, of the Workshops—Oversea Infantry—killed in action in France Casualty List No. 108, dated 26th April, 1917).

Pte A. W. Sly, of Wesselton Floors—Oversea Infantry—died of wounds received in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. E. J. Sly, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916). Killed in action in France, 9th April, 1917 (Casualty List No. 104, dated 21st April, 1917).

L/Cpl. C. A. C. Tomlinson, of Dutoitspan Mine Compound—Oversea Infantry—wounded in action in France (Casualty List No. 82, dated 10th November, 1916). Later reported also missing. Death now accepted (Casualty List No. 117, dated 21st June, 1917).

Pte. H. L. J. van Rensburg, of Dutoitspan Floors—South African Veteran Regiment—died at Kimberley, 9th May, 1916.

Pte. P. E. Watkins, of Kimberley Mine—1st South African Infantry—killed in action in France, 20th May, 1916 (Casualty List No. 41, dated 10th June, 1916).

Pte. R. J. Whitter, of Bultfontein Mine—1st South African Infantry—killed in action in France (Casualty List No. 65, dated 23rd August, 1916).

Pte. R. W. Whitter, Jun., of the Workshops—1st South African Infantry—killed in action in France, 18th October, 1916 (Casualty List No. 86, dated 7th December, 1916).

Pte. Walter Williams, of Dutoitspan Floors—1st South African Infantry—missing after action in France since 18th July, 1916 (Casualty List No. 61, dated 12th August, 1916). Death now accepted (Casualty List No. 100, dated 29th March, 1917).

Pte. Wm. V. Bailey, of Wesselton Mine—Oversea Infantry—wounded in action in France Casualty List No. 54, dated 31st July, 1916).

Pte. Jos. G. Barker, of the Workshops Stables—1st South African Infantry—wounded in action in France (Casualty List No. 65, dated 23rd August, 1916).

Pte. T. G. Bawden, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 53, dated 29th July, 1916). Wounded in action in France (Casualty List No. 71, dated 19th September, 1916).

Pte. Albert Beck, of Bultfontein Mine—South Lancashire Regiment—wounded at Salonika, 23rd October, 1916.

Pte. William Borcher, of Bultfontein Floors—Oversea Infantry—wounded, shellshock, severe —in France (Casualty List No. 105, dated 23rd April, 1917).

Pte. S. C. J. Bosch, of Wesselton Mine—Oversea Infantry—accidentally wounded (Casualty List No. 88, dated 22nd December, 1916). Wounded in action in France (Casualty List No. 107, dated 25th April, 1917).

Pte. Francis Botha, of the Workshops—1st South African Infantry—slightly wounded in action in France three times (Casualty Lists Nos. 73, 105 and 131, dated 30th September, 1916, 23rd April, 1917, and 10th October, 1917).

Pte. A. P. Bothma, of the Workshops—1st South African Infantry—prisoner of war and wounded (Casualty List No. 68, dated 7th September, 1916, and Casualty List No. 71, dated 26th September, 1916).

2nd Lieut. F. K. Bradford, of the Estate Department, Head Office—3rd Northumberland Fusiliers—wounded in action in France, 26th September, 1916.

Lieut. G. W. B. Bradford, of the Accountant's Department, Head Office, Royal Flying Corps, —missing in France since 4th February, 1917.

Lieut. J. S. Braine, of the Diamond Sorting Department, Head Office—3rd West Riding Regiment (Duke of Wellington's)— wounded in action in France 9th April, 1917.

Pte. E. E. Bruckmann, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 55, dated 1st August, 1916).

Pte. C. G. Bryant, of Dutoitspan Floors—Oversea Infantry—severely wounded in action in France (Casualty List No. 107, dated 25th April, 1917).

Capt. C. E. Calvert, of Bultfontein Mine Compound—2nd South African Rifles—wounded in action in Central Africa (Casualty List No. 39, dated 31st May, 1916).

Sergt. W. J. Carroll, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 107, dated 25th April, 1917). Wounded in action in France (Casualty List No. 128, dated 3rd October, 1917).

Pte. F. J. Castles, of Wesselton Floors—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. N. J. Castles, of Kimberley Floors—Oversea Infantry—wounded in action in France (Casualty List No. 81, dated 6th November, 1916).

Pte. Christopher Charlton, of Bultfontein Mine—Oversea Infantry—dangerously wounded in action in France (Casualty List No. 72, dated 26th September, 1916).

Gunner W. E. Churchill, of Kimberley Mine—Oversea Artillery—wounded in action in France (Casualty List No. 109, dated 28th April, 1917).

L/Sgt. Charles Clark, of Dutoitspan Mine Compound—Oversea Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Pte. V. J. C. Clark, of the Workshops—1st South African Infantry—prisoner of war (Casualty List No. 82, dated 10th November, 1916).

Sergt. A. B. Clements, of Wesselton Floors—2nd South African Rifles—wounded in action in East Africa (Casualty List No. 54, dated 31st July, 1916).

Lieut. V. H. Collins, of the Workshops—Royal Flying Corps—injured in France, 25th April, 1917.

Pte. Joseph Collinson, of Dutoitspan Mine—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. J. W. Colvin, of Bultfontein Floors—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. H. F. Cooper, of Wesselton Floors—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. G. H. Cosgrove, of Dutoitspan Mine—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Gunner C. M. G. Coughlan, of the Workshops—South African Heavy Artillery—severely wounded in action in France (Casualty List No. 43, dated 21st June, 1916).

Pte. E. J. Croft, of Kimberley Floors—1st South African Infantry—wounded—mild, in action in France (Casualty List No. 131, dated 10th October, 1917).

Pte. J. T. Currie, of Bultfontein Mine—South African Veteran Regiment—accidentally injured whilst on Active Service, 22nd September, 1915.

Pte. E. J. Dennis, of Wesselton Mine—S.A.M.C.C.—slightly wounded in action in Central Africa (Casualty List No. 98, dated 8th March, 1917).

Pte. F. A. K. Devenish, of Wesselton Compounds—Oversea Infantry—wounded—mild, in action in France (Casualty List No. 129, dated 4th October, 1917).

Pte. A. E. Dolby, of Dutoitspan Floors—Oversea Infantry—wounded in action in France (Casualty List No. 79, dated 26th October, 1916).

Pte. A. H. Ebdon, of the Workshops—2nd Battalion Kimberley Regiment, wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. W. C. H. Edgerton, of Wesselton Compounds—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. W. S. Edmunds, of the Central Power Station—South African Medical Corps—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. C. W. C. Estment, of Bultfontein Mine—1st South African Infantry—wounded in action in France (Casualty List No. 50, dated 22nd July, 1916).

Lieut. W. R. Farquhar, of the Mine Survey Department—Royal Field Artillery—slightly wounded in action in France.

Cpl. P. E. Farquharson, of Bultfontein Mine—Oversea Infantry—slightly wounded in action in France (Casualty List No. 113, dated 22nd May, 1917). Wounded in action in France (Casualty List No. 132, dated 13th October, 1917).

L/Cpl. F. R. Farr, of Wesselton Mine—Oversea Infantry—wounded in action in France (Casualty List No. 81, dated 6th November, 1916).

Pte. E. J. Filer, of the Workshops—Oversea Infantry—severely wounded in action in France (Casualty List No. 80, dated 31st October, 1916).

Pte. J. J. Fourie, of Wesselton Mine—Oversea Infantry—severely wounded in action in France (Casualty List No. 127, dated 28th September, 1917).

Pte. S. H. Freislich, of the Stores Department, Workshops—Oversea Infantry—severely wounded in action in France (Casualty List No. 104, dated 21st April, 1917).

Pte. Joseph Furno, junr., of Wesselton Mine—1st South African Infantry—severely wounded in action in France (Casualty List No. 40, dated 5th June, 1916).

Pte. P. A. Gibson, of the Workshops—Oversea Infantry—severely wounded in action in France (Casualty List No. 129, dated 4th October, 1917).

Pte. J. T. Goodrich, of the Workshops—Railway Regiment—accidentally injured at Karibib, S.W.P., 3rd March, 1916.

Pte. Abraham Green, of the K. & A. Electric Railway—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. E. S. Green, of Wesselton Floors—1st South African Infantry—wounded in action in France (Casualty List No. 55, dated 1st August, 1916).

Pte. G. L. Green, of Bultfontein Mine—1st South African Infantry—seriously wounded in action in France (Casualty List No. 51, dated 25th July, 1916).

Pte. William Grindlay, of the Central Time Office—Oversea Infantry—wounded in action in France (Casualty List No. 128, dated 3rd October, 1917).

C.S.M.: W. A. Hampshire, of the K. & A. Electric Railway—South African Railway Regiment—wounded—gas, in France (Casualty List No. 126, dated 21st September, 1917).

Pte. Harry Hargreaves, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. M. G. Hart, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Lieut. W. D. Henry, of the Stores Department, Workshops—1st South African Infantry—prisoner of war and wounded (Casualty List No. 66, dated 28th August, 1916, and Casualty List No. 72, dated 26th September, 1916).

Cpl. Frank Herbert, of the Workshops—Oversea Infantry—slightly wounded in action in France (Casualty List No. 80, dated 31st October, 1916). Severely wounded in action in France (Casualty List No. 128, dated 3rd October, 1917).

Pte. W. A. Hermiston, of the Workshops—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915. Promoted to Corporal, 1st South African Infantry, and wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. J. G. F. Hocknell, of Wesselton Mine— 3rd South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Sergt. H. B. Humphreys, of De Beers Floors—9th Mounted Brigade Field Ambulance—wounded on 10th May, 1915, at Gt. Barmen, S.W.P.

Pte. R. P. Humphries, of Kimberley Mine—Oversea Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916). Wounded in action in France (Casualty List No. 80, dated 31st October, 1916).

Pte. E. G. Jarrard, of the Workshops—1st South African Infantry—slightly injured (bombing accident at Borden Camp), 26th May, 1916.

Major H. H. Jenkins, of Bultfontein Floor Compound—1st South African Infantry—slightly wounded in action in France (Casualty List No. 49, dated 20th July, 1916). Wounded in action in France (Casualty List No. 79, dated 26th October, 1916).

Gunner H. W. Johns, of Bultfontein Mine—Oversea Artillery—severely wounded in action in France (Casualty List No. 102, dated 17th April, 1917).

Pte. J. R. Johnson, of the Workshops—South African Railway Regiment—wounded in France (Casualty List No. 126, dated 21st September, 1917).

Sergt. F. C. Jukes, of Dutoitspan Mine Compound—1st South African Infantry—prisoner of war (Casualty List No. 67, dated 1st September, 1916).

Pte. A. J. Kelly, of Dutoitspan Mine—Oversea Infantry—slightly wounded in action in France (Casualty List No. 103, dated 20th April, 1917).

Pte. J. L. Keppie, of the Workshops—1st South African Infantry—slightly injured (bombing accident at Borden Camp), 26th May, 1916. Seriously wounded in action in France (Casualty List No. 80, dated 31st October, 1916).

L/Sergt. H. S. Kipling, of Dutoitspan Mine 1st South African Infantry—prisoner of war (Casualty List No. 72, dated 26th September, 1916).

Pte. G. S. J. Lambourne, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 53, dated 29th July, 1916).

L/Cpl. William Laxson, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 50, dated 22nd July, 1916). Slightly wounded in action in France (Casualty List No. 106, dated 24th April, 1917).

Pte. R. C. Leach, of Kimberley Floors—3rd South African Infantry—wounded in action in Egypt (Casualty List No. 14, dated 9th March, 1916). Wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Sergt. S. H. Ledger, of the Accountant's Department, Head Office—Oversea Infantry—wounded in action in France (Casualty List No. 109, dated 28th April, 1917). Since notified also missing (Casualty List No. 114, dated 30th May, 1917).

Pte. Stephen Livingston, of Kimberley Mine Compound—1st South African Infantry—seriously wounded in action in Egypt (Casualty List No. 41, dated 10th June, 1916).

Pte. H. F. Mackintosh, of Dutoitspan Mine—2nd Rhodesian Regiment—wounded in action in East Africa, 2nd June, 1916.

Pte. C. L. Maloney, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Pte. W. F. Maltman, of the Workshops—Oversea Infantry—wounded, gas, slight, in action in France (Casualty List No. 109, dated 28th April, 1917).

Pte. J. H. E. May, of Dutoitspan Floors—Oversea Infantry—wounded in action in France (Casualty List No. 100, dated 29th March, 1917). Slightly wounded in action in France (Casualty List No. 105, dated 23rd April, 1917).

Pte. Alexander Milne, of Wesselton Floors—7th South African Infantry—wounded in action in East Africa (Casualty List No. 37, dated 22nd May, 1916).

Pte. J. A. Moore, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 81, dated 6th November, 1916).

Pte. W. H. Moss, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. G. F. C. Murray, of Wesselton Floors—Oversea Infantry—wounded in action in France (Casualty List No. 107, dated 25th April, 1917).

Captain A. R. Newlands, of the Estate Department, Head Office, 125th Oxford Heavy Battery, Royal Garrison Artillery—severely wounded in action in France.

Gunner John O'Donoghue, of Wesselton Mine—Oversea Artillery—slightly wounded in action in France (Casualty List No. 94, dated 1st February, 1917).

Pte. F. T. Oxley, of the Workshops, 1st South African Infantry—wounded in action in France (Casualty List No. 49, dated 20th July, 1916). Severely wounded in action in France (Casualty List No. 107, dated 25th April, 1917).

Pte. G. W. W. Parker, of the Workshops—South African Infantry—slightly wounded in action in East Africa (Casualty List No. 64, dated 19th August, 1916).

Pte. A. S. Parsons, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 73, dated 30th September, 1916).

Pte. C. J. Pike, of Bultfontein Floor Compound—Oversea Infantry—slightly wounded in action in France (Casualty List No. 105, dated 23rd April, 1917).

L/Cpl. J. R. Prince, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 72, dated 26th September, 1916). Slightly wounded in action in France (Casualty List No. 105, dated 23rd April, 1917).

Regt. Sergt.-Major James Richardson, of the Workshops—2nd Battalion Kimberley Regiment—wounded in action at Trekkopjes, S.W.P., 26th April, 1915.

Pte. J. V. Robey, of the Convict Station—Oversea Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. W. J. Rodwell, of Wesselton Mine, 1st South African Infantry—wounded in action in Egypt (Casualty List No. 13, dated 7th March, 1916). Wounded in action in France (Casualty List No. 54, dated 31st July, 1916). Wounded—gas, severe, in action in France (Casualty List No. 106, dated 24th April, 1917).

Gunner I. H. Salonika, of the Drawing Office, Head Office—South African Heavy Artillery —wounded in action in France (Casualty List No. 71, dated 19th September, 1916).

Pte. P. J. Scott, of Bultfontein Mine—1st South African Infantry—wounded in action in France (Casualty List No. 49, dated 20th July, 1916).

Pte. C. J. Seitz, of Dutoitspan Floors—1st South African Infantry—prisoner of war (Casualty List No. 66, dated 28th August, 1916).

Pte. J. A. H. Short, of the Pay Department, Head Office—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. A. R. W. Smart, of the Workshops—4th South African Infantry—wounded in action in France (Casualty List No. 49, dated 20th July, 1916).

Pte. Alexander Smith, of Bultfontein Mine—1st South African Infantry—wounded in action in France (Casualty List No. 55, dated 1st August, 1916).

L/Cpl. F. P. Smith, of the Benefit Society—Oversea Infantry—wounded in action in France (Casualty List No. 82, dated 10th November, 1916).

Pte. J. A. Smith, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

L/Cpl. J. W. Spicer, of Bultfontein Floors—1st South African Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Pte. V. W. Spruce, of the Workshops—1st South African Infantry—wounded in action in France (Casualty List No. 53, dated 29th July, 1916).

L/Cpl. J. H. Taylor, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 55, dated 1st August, 1916).

Pte. Mackenzie Taylor, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Gunner C. H. H. Thompson, of Bultfontein Floors—South African Heavy Artillery—wounded in action in France (Casualty List No. 48, dated 17th July, 1916).

Pte. C. M. Thompson, of the Workshops—Oversea Infantry— severely wounded in action in France (Casualty List No. 105, dated 23rd April, 1917).

Pte. Robert Thompson, of the Workshops—Oversea Infantry—seriously wounded in action in France (Casualty List No. 51, dated 25th July, 1916).

Pte. L. C. Trollip, of Dutoitspan Floors—1st South African Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Pte. S. E. R. van der Schyff, of Bultfontein Mine—1st South African Infantry—wounded in action in France (Casualty List No. 51, dated 25th July, 1916).

Pte. A. E. van Renen, of the Secretary's Department, Head Office—Oversea Infantry—wounded in action in France (Casualty List No. 109, dated 28th April, 1917).

Tpr. G. J. J. van Rensburg, of the Convict Station—Helgaard's Scouts—accidentally injured whilst on Active Service in the South-West Protectorate.

Pte. N. J. Vlok, of Dutoitspan Floors—2nd South African Infantry—wounded in action in France (Casualty List No. 52, dated 27th July, 1916).

Lieut. A. E. Ward, of the Workshops—Oversea Infantry—slightly wounded in action in France (Casualty List No. 103, dated 20th April, 1917).

Pte. M. B. Ward, of the Workshops—1st South African Infantry—prisoner of war and wounded (Casualty List No. 72, dated 26th September, 1916).

L/Sgt. H. E. Watkins, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 107, dated 25th April, 1917).

Pte. Bernard White, of Wesselton Mine—Oversea Infantry—shell shock.

Pte. H. L. White, of the Workshops—8th South African Infantry—severely wounded in action in East Africa (Casualty List No. 120, dated 26th July, 1917).

Pte. A. J. Wright, of the Workshops—Oversea Infantry—wounded in action in France (Casualty List No. 54, dated 31st July, 1916).

Corpl. S. F. H. Wyattcouch, of De Beers Mine—Duke of Cornwall's Light Infantry—severely wounded in action in France.

Pte. S. S. Young, of Dutoitspan Mine—Oversea Infantry—severely wounded in action in France (Casualty List No. 103, dated 20th April, 1917).

Pte. A. E. Youngman, of Bultfontein Mine Compound—Oversea Infantry—wounded in action in France (Casualty List No. 104, dated 21st April, 1917).

C.S.M.: T. J. W. Zeiss, of Bultfontein Floors—1st South African Infantry—wounded in action in France (Casualty List No. 53, dated 29th July, 1916).

The following is a summary of the casualties since the commencement of the war:—

Killed and Died.	Wounded, Prisoners of War and Missing.	Total.
62.	120.	182.

In conclusion, I beg to thank the Directors of the Company, the various heads of departments, and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

Kimberley, 20th October, 1917.

De Beers Consolidated Mines, Limited.

Twenty-Ninth Ordinary General Meeting.

The Twenty-ninth Ordinary General Meeting of De Beers Consolidated Mines, Limited, was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, 30th November, 1917. Mr. Francis Oats presided, and the Shareholders present were: Sir David Harris (and q.q. Barnato Bros., S. B. Joel, J. B. Joel, Caroline Swift, and Sydney Smith), Mr. F. Hirschhorn (and q.q. Central Mining and Investment Corporation, Limited, and Reduced), Mr. G. W. Compton, Mr. R. Philipson-Stow (and q.q. Lady Philipson-Stow and Sir Elliot Philipson-Stow), Mr. P. Ross Frames, Mr. W. Pickering (and q.q. Andrew Gloag), Mr. Alpheus F. Williams, Mr. C. Newberry, Mr. A. Brink (and q.q. estate F. R. L. Marais, C. L. Marais, E. H. Marais, P. R. de Villiers, P. J. Roux, and A. F. Roux), Mr. C. E. Hertog (q.q. Mrs. H. S. A. Haarhoff, estate late D. J. Haarhoff, and Mrs. Emily Shilling), Mr. T. Rowe Eng'ish, Mr. B. Horkheimer, Mr. H. Rose-Innes, Mr. H. E. Clark, Mr. W. H. Carter, Mr. W. M. Miller, Mr. Alex. S. Gibson, Mr. J. J. T. King (and q.q. D. van Ulsen, R. McFarland, and estate late C. A. E. H. Meyer), Mr. A. Siew, Mr. E. W. Weatherby, Mr. K. C. Elliott, Mr. A. Westcott, Mr. S. E. Compton, Mr. Paul Senier, and Mr. E. F. Raynham (Secretary).

	Shares.
Mr. Francis Oats held proxies representing	127,408
Sir David Harris held proxies representing	126,268
Mr. F. Hirschhorn held proxies representing	13,650
Mr. R. Philipson-Stow held proxies representing ...	6,288
Mr. A. Brink held proxies representing	6,871
Mr. C. E. Hertog held proxies representing	923

The Secretary read the notice convening the meeting, and afterwards read the minutes of the 28th Ordinary General Meeting of shareholders and the Extraordinary General Meeting held on the same date, 30th November, 1916. The minutes were duly confirmed.

The Chairman pointed out that the Directors' Report and Accounts, which were rather lengthy, had been circulated as usual, and he asked if some shareholder would propose that they be taken as read.

Mr. E. W. Weatherby moved, and Mr. T. Rowe English seconded, "That the Directors' Report and Statement of Accounts, having already been circulated amongst the shareholders, be taken as read."

This was unanimously agreed to.

Mr. Francis Oats then rose to move the adoption of the Directors' Report, Balance Sheet and Profit and Loss Account for the year ended 30th June, 1917. In so doing he said: Gentlemen, in proceeding to deal with the affairs of the Company, as they are placed before you to-day, one of the first matters to which I have to refer is a most mournful one. It is needless to say that I refer to the lamented deaths of several of our Directors which have occurred since our last annual meeting, and one of them within the last few days. It is with deep regret that we have to record the deaths of Mr. Atkinson, Mr. Nind, Mr. Haarhoff, and Sir Starr Jameson. That is a heavy toll—the loss of four of your Directors in one year. As you know, some of the original Directors were on the Boards of the previous companies before the amalgamation of the diamond interests was effected, and they were appointed as Directors of De Beers Consolidated Mines. There may have been a feeling in some quarters that it was unnecessary to have such a large directorate, but at the same time it was recognised that there was an obligation that those who had held interests in the various constituent companies were entitled to have a voice in the conduct of the affairs of the industry after the change had been brought about. You all know how well and faithfully these gentlemen did their duty, as they conceived it, to the Company; now they are gone, and we deeply deplore the loss we have sustained. In particular we are distressed by the death of our old friend Sir Starr Jameson. He had a personality which endeared him to everyone with whom he was connected, either in business or private life, and I can only say that the news of his death, reaching us just prior to our annual meeting, has touched us very deeply, and occasioned us most extreme regret. His remains now lie awaiting interment while we are assembled here to continue the work to which he had been a party for so many years past. I will not say more on this subject, because we have lost four Directors, and it would be invidious to single out one more than another for individual reference. We can only bow our heads to the decree of Providence, and express our deep sympathy with the bereaved.

Now, gentlemen, I turn to review the affairs of the Company during the past financial year. As regards the accounts, I think I might commence by taking the Balance Sheet first, beginning on the debit side. Following the practice of previous years, the amount released from our blue ground reserve, by the excess of washing over hauling, has been transferred to the General Fund, which now stands at £1,701,765, of which £1,077,000 is represented by depletion of blue ground stocks since 1st July, 1908, and is still available for replacement of blue when necessary. I allude to this because the Directors and Shareholders have been taunted by some critics with having made profits by the exhaustion of our reserves of blue on the floors. That is not quite correct, because our blue ground fund is a separate reserve, and as often as we exhaust the blue on the floors we put the amount which it represents to general reserve. On the other hand, supposing at a later date we have to increase our stock of blue on the floors, we have funds available for the purpose, so that it is not correct to say that our profits have been augmented from this source. The Debenture Redemption Fund has also been increased by the annual contribution from Profit and Loss Account, and now stands at £421,193. You will understand that we have from time to time provided an annual amount for the purpose of the redemption of our debentures, and through this provision we shall have money in hand, if things go on as we hope, to pay off these debentures when the period of maturity arrives. These funds together (Debenture

Redemption Fund and General Fund) total £2,122,958, which sum is invested in gilt-edged securities, valued at market prices 30th June, 1917, as shown on the other side of the Balance Sheet.

A material change in our Balance Sheet this year is the appearance of a liability on stocks and shares of £1,250,000, representing the balance which we have still to pay on our investments in Premier Mine shares. The reasons for the acquirement of this controlling interest in the Premier Mine I intend to deal with fully later on.

In addition to our reserve investments, our debtors, special investments, bills, and cash amount to £2,376,708, out of which are to be met our current liabilities, totalling £2,264,600, which amount includes the dividends declared on 25th June last. It is therefore clear that our cash resources are good; but this is highly necessary in an undertaking of the nature and magnitude of ours. I may point out in passing that in the preparation of our financial statement nothing is faked; everything is put down with strict accuracy in order that the true position of the Company may be shown in our records.

Our diamond stocks at the end of the year, amounting to £414,076, calculated at cost of production, are slightly higher than the year before, but only slightly. These stocks, together with our participation in South-West Africa diamonds, £301,502, together £715,578, have been placed to suspense profit pending realisation. Shareholders are aware that we joined the Syndicate, and took up these diamonds so as to help keep the market steady. Another point which you as shareholders will recognise is that the Directors are conserving your property as far as practicable, and not exhausting your mines or resources, or putting you at the mercy of any attack upon your interests.

Turning to the Profit and Loss Account, it will be seen that the profit for the year was £2,971,586. The productive mining expenditure amounted to £1,156,946, as against £395,850 the previous year. The reason for the great disparity in these figures is that in the previous year productive operations were carried on on a limited scale for six months only.

Our Charges Account, which includes £60,010 for donations and relief, amounted to £174,352, as against £104,486 for the previous year, during which period the Charges Account was in ratio to the limited operations before mentioned. I would like to say on this point that some quibblers from time to time raise questions about compound profits. As to that I may say we contribute to public objects in a manner that no other concern does, and to an amount which would well absorb any compound profits we may have made, and a great deal more. The Directors generously respond to the calls made upon them, but as during the war the work of the mines has been less, we have not been able to do in many directions what we would otherwise have done.

The maintenance of the mines and floors that have not been worked during the year under review amounted to £139,098 as against £243,329 the previous year. This is a natural decrease of expenditure under this heading, because this year there are more mines and floors in commission and doing work than the year before.

The expenditure directly consequent on the war amounted to £141,261, as against £73,330 the year before. I will deal with this expenditure more in detail, and the policy relating thereto later.

The Diamond Account shows a credit of £4,629,771, which includes an increase, at cost of production, of £23,021 in our stocks.

The income for the year on our investments amounted to £217,182, as against £130,077 for the previous year. The substantial increase shown here is mainly accounted for by a dividend on our shares in the Cape Explosives Works—the first dividend we have had —amounting to £50,000, and an appreciation of £22,000 in our holding in British War Loan, arising out of the conversion from 4½ per cent. to 5 per cent., and, in addition, we have this year had a little more money employed.

I now come to the Appropriation Account, and the first item provided for there is £228,300 for income tax under the new Act, No. 41 of 1917. This was only an estimate, and I have to say that we have since been assessed, and the amount actually payable is a little less. Not only have we been able to pay to the preference shareholders all that was due to them, but we have declared and paid to deferred shareholders 20s. per share to those registered at 30th June, 1917.

The total dividends on our preference and deferred shares, declared and paid, amounted to £2,200,000, less £30,000 for 7½ per cent. dividend tax deducted from the last declaration of £400,000 to preference shareholders at 30th June, 1917.

After providing for the aforementioned income tax and dividends, and after placing to suspense profit account, pending realisation, our diamond stocks, £414,076, and participation in South-West Africa diamonds, £301,502 (together £715,578), the balance carried to next year amounts to £1,135,282.

You will have seen from the Directors' Report that a steady though limited demand for diamonds has continued during the year. I am pleased to be able to say that in August last we concluded a new contract with the Diamond Syndicate, and since then the sales of diamonds have been well maintained.

I don't think I need labour the point of the effect of diminished production. It has been impressed upon you time and again. I have always held that the price of diamonds is a matter the mining companies can themselves greatly regulate by making the production correspond with the demand. When Mr. Joel was here last year he impressed upon you how much depended on the maintenance of prices. You could exhaust the resources of these mines if you cared to do so, and have no profit at all for shareholders. That is not the desire of the Directors, nor the policy of the Company, nor do I think a course like that would be to the permanent interests of this community. (Applause.) If these mines were worked out, there would be an important source of industry gone. It is much better to conserve the mine resources, and to raise the price of diamonds. In course of time, as necessity arises, our other mines can come in to supply the market and utilise the labour which may be displaced on account of the output of the present mines being reduced. But that, of course, is not a position we need consider to-day; in any event, it could only arise many years hence. Still, we bear these points in mind as part of the responsibility we feel as Directors in this historical period towards the industry, to Kimberley, and the shareholders. (Applause.)

For the three financial years preceding the war, the value of diamonds exported from the Union, exclusive of German South-West Africa, amounted to thirty millions sterling, an average of ten millions annually. During the three succeeding financial years the respec-

tive values were as follows: 1915, £1,373,354; 1916, £3,140,143; and for the year ended 30th June, 1917, £7,066,209. Yet, despite the fact that the demand for diamonds has decreased to the extent disclosed in the figures I have just given you, through restriction of sales by producers, prices to-day are higher than during the pre-war period. Diminished demand, even in peace times, would have resulted in a serious fall in values, as will be realised and admitted by any experienced man of business. Up to the end of 1916 the output of diamonds from the mines owned by the three principal companies was only partially controlled, and, in view of the falling off in demand owing to the war, I doubt if the prices obtained during 1916 could have been maintained this year if the condition of partial control had continued. The Directors of the three large producing companies—De Beers, the Premier, and Jagersfontein—felt instinctively that it was highly necessary to effect closer and more friendly relations in order to secure a combination that would enable them to prevent serious competition in placing diamonds on the market. With this object in view, your Directors acquired by purchase of shares a controlling interest in the Premier Company, a step which is to the great advantage of the diamond industry as a whole, and one in which the Premier Company naturally participates proportionately to the two other concerns, as will be apparent from a comparison of the prices realised by the Premier Company during its last two financial years. These figures show that for the 12 months ended 31st October, 1917, that company realised 12½ per cent. per carat more for its output than the previous year. The value of the output of De Beers and Jagersfontein Companies has increased in like proportion, and it will thus be seen that the policy of control which we have continually advocated and practised has attained results in accordance with our judgment and anticipation. The power which we now possess to regulate the sale of diamonds to the world's demand for this luxury, and our determination to continue this policy, have inspired the whole trade with absolute confidence. Cutters, polishers, factors, and jewellers know that they can, without fear of rough diamonds being forced on the market, hold large stocks; and bankers can grant financial facilities to the trade generally, knowing that our product will not be offered in quantities in excess of requirements, and that merchants and others will not be faced with a serious fall in prices or the risk of over production. May I add for the information of shareholders, and others interested that it is not a question of restricting the output unduly, or withholding from the market diamonds that would be readily bought, but of regulating the sales from time to time to the amount of money which the world is prepared or inclined to spend on the gems we produce. If we overproduced during any year we would be compelled to reduce the output of the next, and would also be forced to sell at prices far below those which can now be secured by gauging the quantity of diamonds the trade is willing to purchase.

From the 1st July, 1914, to the 30th June, 1917, the total exports for the three years from the Union amounted to £11,519,706, an average of £3,839,902 per annum, as against the ten millions average per annum for the three years immediately preceding the war. In the first year of that period ended June, 1915, the exports, as I have already mentioned, were only of the value of £1,373,354, but last year they reached £7,006,209, and these diamonds realised a higher price per carat than was obtained for the very small quantity exported during the former period. I make bold to say that if we had forced sales during the years 1914-15 and 1915-16, we would not have sold anything like the value disposed of for the whole of the three years; and even if we had sold the same quantity, in my opinion the prices would not have been more than half of those secured over the three years ended 30th June last. Long and practical experience has convinced us that the policy of regu-

lating and controlling the sales benefits the whole of the diamond industry, including the alluvial diggings. Moreover, the State will enjoy an enormous advantage from the prolongation of the life of the mines, the direct and indirect revenue now derived from the industry thus being continued over a much longer period, and the railways will similarly continue to receive a large revenue from the carriage of coal, mining requisites, etc.

In passing from this subject, I can only express the hope that shareholders will approve of the steps we have taken to consolidate the diamond industry, and that they will realise as clearly as do your Directors the advantages that will accrue to those interested, and to the Union in which this industry is by no means an insignificant factor.

Last year I mentioned to you that the Company had started hauling from the Wesselton and Bultfontein Mines in order to keep up the stock of blue ground on the floors. I have now to mention to you that we started hauling from Dutoitspan Mine on 7th May. Referring to the General Manager's report, which gives a great deal of detail on the Company's mining operations, and to which I would call your attention, I may say that we have been short of white labour during the year, but notwithstanding this shortage of labour and the increased prices of stores, the working costs compare favourably with pre-war costs. Our General Manager does not expect that these favourable costs will be maintained, in view of the fact that prices of stores and materials are still increasing to a tremendous extent. I hope, however, that his anticipations in this respect will not prove correct, but that the war will soon be over, and that the working cost will become cheaper instead of dearer.

Referring to the question of taxation, I may mention that the Union Mining Taxation Act of 1910, under which the Company paid to Government 10 per cent. of its profits, has been superseded by the Income Tax (Consolidation) Act, 1917, which provides for the taxation of incomes and dividends, and for the levying of a duty upon certain excess profits, and under which the Company will pay a normal tax of 5 per cent, and a dividend tax of 7½ per cent., which, together, will amount to practically the same as the Company would have paid under the old mining profits tax. Arising out of this new taxation, a difference of opinion has arisen between this Company and the Consolidated Company, Bultfontein Mine, Limited, with regard to the liability for normal and dividend taxes, and seeing that most of the Directors of that Company are also Directors of De Beers Company, it was agreed that the best way of settling the difference would be to submit the whole matter in dispute to the Courts for decision. Judgment has been given in the Local Division of the Supreme Court, which held that the Consolidated Company, Bultfontein Mine, Limited, is liable for payment of the normal and dividend taxes, but against this judgment that Company has appealed to the Appellate Court, Bloemfontein, whose judgment is now awaited. It was felt that in this way a final decision would be obtained, which would be the correct legal interpretation of the agreement between the two companies, and the most satisfactory solution of the difficulty.

Since the war the rates for marine insurance of diamonds in transit between South Africa and England have been constantly rising, until at the beginning of this year, when the enemy started the unrestricted submarine warfare, they had reached the high rate of £5 per cent., and even at this premium the insurance companies were not prepared to insure more than a very limited amount in one vessel, so that several parcels were despatched uninsured and some partly insured. This so restricted business that the

principal diamond producers and the Diamond Syndicate combined to form a Company to undertake the insurance of diamonds between England and South Africa, and in August last a company entitled the South African Marine Fire and General Insurance Company, Limited, was registered, which company, since its inception, has insured all diamonds shipped by the Diamond Syndicate, whether from the De Beers Company, the Premier Company, the New Jagersfontein Company, the Koffyfontein Mines, or the River Diggings. The capital of the Insurance Company is £2,000,000 in £5 shares, of which £800,000 has been issued, with 25s. per share called up. De Beers Company has a 50 per cent. interest in the Insurance Company, the rest of the capital being held by the other large producers and the Diamond Syndicate. I may mention for the information of shareholders that in pre-war times the rate for marine insurance from South Africa to England was 2s. per cent., against 100s. per cent. charged to-day. Well, we have no regret for starting that insurance company. We represent enough capital of our own to take our own risks in this respect without having to resort to the assistance of other companies, or at any rate only to a limited extent.

Another matter that arises in connection with the business of our financial year is that at the Annual General Meeting of the Company held in December, 1910, it was reported that the Company had resolved to set aside a sum of £25,000 as a contribution towards the contemplated South African University, which it was then proposed to establish in Capetown, the Company merely stipulating that the scheme should be settled to the satisfaction of those who had already so largely subscribed, and of the Government. Subsequently, the University Commission, of which Sir Perceval Laurence was the chairman, was appointed to inquire into The University of South Africa Bill, and the original scheme was considerably modified. In giving evidence before that Commission I was asked if it would not be possible to allow the Company's contribution of £25,000 to be spent by the University authorities as they might agree, and whether, in the event of the University authorities finding that it would satisfy everybody, and be more satisfactory to the Government and the whole country, that Stellenbosch should get some money, the De Beers Directors would object to the University authorities having the power to apply the £25,000 to any part of the scheme of what might be called the South African University. To this I replied that I did not think De Beers would interfere in any way as to how the £25,000 was spent, and would trust to the discretion of the University authorities altogether. Later, the Minister of Education represented to the Company that Stellenbosch was an aggrieved locality because most of the money forthcoming for University purposes was going to Capetown, and in deference to his wishes, the Board of the Company reconsidered the whole position, and agreed to the Company's donation of £25,000 being allotted to the Stellenbosch University, but made it a condition that it should be used for the establishment of a laboratory for chemistry, and they trust that the donation will be the means of encouraging the study of chemistry, to the great advantage of the country in general. (Applause.) I may say that we hope that our donation of £25,000 will be a stone in the bridge that will bring the two communities of this country into closer co-operation for their common interests, without reference to racial or any other divisions. This was the object before us when we gave our donation of £25,000, and we have reason to hope that our contribution will bear good fruit, and that our fellow subjects, the Dutch, in this country will recognise that De Beers Company is South African in every sense of the word, and that we are trying to do what we can to heal any differences that exist between the two white races of this country. (Applause.)

Shareholders will be gratified to hear that all employees of the Company on active service continue to be paid half-salary and wages. The amount involved is considerable, as for the year under review it reached no less a sum than £68,799 15s. 8d. In addition to this we contributed £20,000 to the Governor-General's Fund, £25,000 to the French Red Cross Fund, and a like sum to the British Red Cross Fund, which, together with £2,461 18s. 6d. sundry amounts donated, makes a grand total of £141,261 14s. 2d. for the 12 months ended 30th June, 1917. I feel sure our shareholders will approve of this expenditure, especially the French shareholders, who are largely interested in De Beers. We felt that it would be a graceful act when declaring a dividend after a lapse of three years to celebrate the event with a substantial contribution to be utilised for the benefit of the sick and wounded among those who are fighting in the noble cause of liberty and freedom. (Applause.) Shareholders will be interested to learn that the total amount expended by the Company incidental to the war from August, 1914, up to June, 1917, is as follows:—

Half-pay to employees on active service	£205,994	9	10
Donation to Governor-General's Fund	20,000	0	0
French Red Cross Society	25,000	0	0
British Red Cross Society	25,000	0	0
Kimberley Mayor's Relief Fund (for people in the town other than our own employees)	10,000	0	0
Special grants to employees	21,923	18	11
Sundries	8,771	12	2

making a grand total of £316,690 0s. 11d. (Applause.) We do not claim any special credit for expending such a large sum. I merely mention it for the information of shareholders, who have a right to know what is done with their money. I am sure you will approve of our action in this matter, and will feel as we do that we are only discharging a solemn duty to the Empire, and that the obligation rests upon us to continue this policy until the devastating war through which we are passing is brought to a satisfactory end. (Applause.)

It will be seen from the Directors' report that during the year 39 of the Company's employees have been killed in action or met their deaths from causes arising out of the war, and that a large number of employees have been wounded. Since the report was written ten more of the Company's employees have met their deaths on active service, including Mr. J. R. H. Liddell, the younger son of Mr. J. Liddell, our mechanical engineer. We sincerely sympathise with the relatives of those who have made the supreme sacrifice, and wish the wounded a speedy and complete recovery. (Applause.)

In terms of the Company's Articles of Association, the Board on the 23rd of May appointed Mr. P. Ross Frames as a Director, to fill the vacancy caused by the death of Mr. Harry Mosenthal. In October, Mr. W. Pickering, who joined the De Beers Company in 1886, and has held the highly-important position of Secretary to the Company for twenty years, was appointed a Director to fill the vacancy caused by the death of Mr. C. E. Nind, a well-merited reward, as you will all agree, after 31 years of devoted, loyal, and capable service to the Company. (Applause.) He will be an acquisition to the Board by reason of his long experience and intimate knowledge of De Beers affairs. We felt that in these critical times it would not be possible to appoint anyone who knew the business of the Company better than Mr. Pickering, and that if we brought in strange men they might make mistakes without knowing it. As Mr. Nind, had he lived, would have retired at this meeting, Mr. Pickering, who takes his place, now

retires, and his name will be submitted to the Shareholders for re-election, together with the names of the other Directors who retire this year. We have made several official changes at our head office, in consequence primarily of the deaths of Directors. Mr. Pickering has been succeeded as Secretary by Mr. Raynham. This gentleman has been with the Company over 21 years, and has most ably filled the post of Assistant Secretary since 1906, earning the confidence and respect of both Directors and Shareholders. We feel that we could not possibly make a better appointment, and that the duties appertaining to the responsible position to which he has now been appointed will be as faithfully and loyally discharged by him as they were by his predecessor. (Applause.) Mr. Thurston Ford, who has been Secretary of De Beers Consolidated Mines, Limited, Benefit Society since April, 1890, has been appointed Assistant Secretary of De Beers Company, after returning from three years' continuous active service.

In conclusion, let me say that Colonel Sir David Harris will place before you some interesting facts concerning the Cape Explosives Works, which this year has contributed to our revenue. I will therefore not detain you any longer, but will simply content myself with moving the adoption of the Directors' Report and the Financial Statement, and ask Sir David Harris to kindly second the resolution.

Sir David Harris rose to second the adoption of the Directors' Report, Balance Sheet, and Profit and Loss Account. He said: I beg to second the proposition that the Directors' Report, Balance Sheet and Profit and Loss Account be adopted. In doing so, it is not my intention to travel over the ground covered by the speech of the Chairman, but to confine my remarks to the value of our Explosives Works to the South African and Australian mining industries, in the hope of placing this important matter clearly and fully before the public.

Thanks to the Cape Explosives Works, which, as you know, are entirely owned by De Beers Company, the mines of South Africa have been kept regularly supplied with dynamite, etc., since the commencement of the war, and at prices which I am justified in saying will bear favourable comparison with those charged at the different centres of consumption where our explosives do compete, and much more so where they are not allowed to compete. One may without hesitation say that were it not for the existence of our factory, mining operations in South Africa would to-day be seriously curtailed, an event that would be greatly detrimental, firstly, to the thousands of artisans and other workers employed in and affected by the mining industry; and secondly, to the revenue of the State. I dread to think of the prices that would have been demanded from consumers of this indispensable mining requisite if they had been left to the tender mercy of those who controlled the production and distribution of explosives before the advent of our factory at Somerset West. Let me put before you a few interesting facts. Prior to 1899, the price paid in the Transvaal for blasting gelatine to Nobels (who had the monopoly) had reached as high as £5 7s. 6d. per case. When the Transvaal was subsequently proclaimed a British Colony the Nobel monopoly was cancelled, with the result that in 1901 the prices dropped to 87s. 6d. per case, and in 1902—when our works were nearing completion, and the shadow of the Somerset West factory was already hovering over the horizon of the then existing monopoly—it declined to 67s. 6d. per case. As soon as the Cape Explosives Factory entered the field in 1903, our price worked out at 58s. 9d. per case, delivered in Johannesburg, and in subsequent years the prices were as follows:—In 1906, 53s. per case; in 1907, 48s.; in 1908, 46s.; and in 1911, 45s. 6d. At or about that figure the price remained until 1913, when it rose temporarily to 48s. 9d., and then it gradually descended until in June 1916—nearly two

years after the commencement of the war—it stood at 45s. 9d. Since then the price has slightly risen owing to the high cost of raw materials due to the war.

The price paid in Bulawayo had in 1901-2 reached as high as 80s. 3d. per case, but at the end of 1903, when the Cape Explosives Works came into competition, the figure dropped to 69s., and in 1907 it was 60s.; in 1908-10 it was 49s. 3d.; in 1911-12, 47s. 6d.; in 1913, 50s. 6d.; and at 30th June, 1916, the price was 47s. 6d. per case. It has slightly risen of late for the same reason as applies to the increased prices in other markets.

In Kimberley, before De Beers manufactured their own dynamite, there were two classes of explosives used in the mines, which were supplied by the Trust, and the respective prices were 65s. and 57s. 6d. per case. In 1903 De Beers manufactured their 40 per cent. Ligdyn, which was sold on delivery at 33s. 6d. per case. The price gradually dropped until in June, 1916, it stood at 28s. per case delivered.

From 1903-1907 the price charged at Melbourne was 75s. per case, and during the latter year it fell to 70s., and continued at that level until the end of 1908. When our Company came into the Australian market early in 1909, the price dropped to 54s. 6d. per case, delivered, and in June, 1916, it had fallen further to 52s. 3d.

At Broken Hill, N.S.W., in 1905, the price was 51s. 6d. per case, rising to 67s. 6d. in 1908; but on the entry of our Company into competition in 1909 the price immediately dropped to 59s. per case, and at 30th June, 1916, our price was 56s. 9d. per case, delivered. Mr. John Darling, Chairman of the Broken Hill Proprietary Company, Limited, in a speech to the shareholders of that company on the 25th February, 1910, said, with reference to the introduction of the Somerset West Works explosives into the Australian markets: "It is computed that the saving to the mining companies in Australia from this competition amounts to no less than £125,000 per annum." (Applause.)

In April, 1917, the price of the Giant Powder Company at San Francisco for blasting gelatine stood at 100s. per case, while our cost for the ten months July, 1916, to April, 1917, was 42s. 10d. per case, and our provisional price to the Johannesburg mining companies was 43s. 6d. per case.

I wonder what the world would be paying for explosives to-day were it not for the competing influence of the De Beers Explosives Works. Owing to the Boer War, and the outbreak of plague at Capetown, considerable delay was experienced in the erection and completion of the Cape Explosives Works, but as soon as we were in a position to supply the different grades of explosives, the prices being charged to mining companies came down with a run, as the figures I have quoted will illustrate. Roughly speaking, the explosives used in South Africa for mining purposes are to-day half the price they were before we commenced the erection of our large works at Somerset West. (Applause.) You will, I am sure, also be surprised to hear that the prices charged for explosives in Cornwall are much in excess of those at our factory, notwithstanding the fact that wages are much higher in this country, and that we have to pay heavy freights on the raw materials. To show the contrast in the figures I will give you the following examples: In February last 50 per cent. gelignite was 60s. per case in Cornwall, and our price free on truck at Firgrove, was 30s.; 75 per cent. gelignite in Cornwall was 70s. per case, against 38s. 3d. at our factory, while gelatine was 77s. 6d. per case in Cornwall, compared with 43s. 6d. at Somerset West. I leave it to your imagination to judge what these patriotic producers, as you are asked from certain

quarters to believe they are, would have demanded from the South African mining companies for explosives under existing war conditions, to say nothing of normal times, if the De Beers works were non-existent, and their products not competing in the world's markets. The importance of this matter can be better realised when it is stated that the amount of explosives used in South Africa alone may be regarded as reaching a total of approximately a million cases per annum. (Applause.) My attention has been called to a paragraph which appeared in the "Cape Times" of the 17th November, which reads as follows:—

> "We understand that negotiations are in progress for an amalgamation between Nobels, Ltd., of Glasgow, and Kynochs, Ltd., both of which have interests in explosive factories in South Africa. The rumour that the Cape Explosives Works, Ltd., whose factory is at Somerset West, is in any way concerned in the amalgamation is entirely incorrect."

I may tell you that in confirmation of this I can positively state that under no circumstances would we amalgamate our Somerset West works with either of the companies mentioned. (Applause.) Owing to the greatly increased price of raw materials, freights, and insurance, our cost of the finished product has gone up about 8 per cent. during the last six months, but we have only advanced our price to compensate the extra cost of manufacture. We have not taken the slightest advantage of the present situation, nor of the prices of the different grades of explosives ruling elsewhere. (Applause.) I think, gentlemen, I may fairly say that we are an important corporation, having big stakes in this country. Our interests, in a measure, are involved with those of the State, its progress and advancement, which we must not in the slightest degree retard, but on the contrary, assist in developing. In this the supply of cheap explosives is a great factor, and I may state that we intend to retain our factory at Somerset West so that consumers of explosives, including De Beers Company, will never be subject to the grasping greed of the ring which existed at the end of last century, and is still with us to-day. (Applause.)

The Chairman: Before putting the proposition, so well seconded by Sir David Harris in his speech in which he has dealt with the question of explosives, I should like to express my personal obligations to him for making manifest the iniquitous crowd we have had to fight all these years. It is wonderful how easily people gloss over the situation. We have done our utmost to get the prices of dynamite lowered to a moderate level for ourselves, and other consumers, and yet in spite of this we find people will go and buy of our competitors who sell at lower prices in Rhodesia than we do, and make up the difference by selling at much higher prices in places where we cannot, or are not allowed, to compete. I feel warmly on this subject. It was a happy thought that gave Sir David Harris an idea of setting forth the merits of the case, and I am glad he has done it. I appeal to you and the public in this matter; isn't that dumping when they charge more for dynamite in Cornwall and other places than they charge against our competition here? There it is. Some time perhaps a member of the Government will see justice done as between this Company and the people we are competing with, who are the people who charge those higher prices elsewhere, and who, perhaps, are putting up that amalgamation in order to fight us more easily. Still, all the same, we are satisfied we are doing our duty. We are supplying dynamite to people at a small return, and the £50,000 is the first dividend we have had all these years, and we have spent millions. I think it is time the public of South Africa recognise to whom they are under an obligation for the supply of cheap dynamite, which after labour and coal is the third item of expenditure in mining. I will now ask you to vote on the motion moved by myself, and seconded by Sir David Harris.

The Report and Balance Sheet and Profit and Loss Account were then unanimously adopted.

The Chairman: Your general consent shows what we have been trying to do in your interests meets with your approval.

The Chairman said the Directors who retired from office, and who were eligible for re-election, were: Sir David Harris, Mr. F. Hirschhorn, Mr. R. Philipson-Stow, and Mr. W. Pickering.

Mr. Newberry proposed: That Sir David Harris, Mr. Friedrich Hirschhorn, Mr. R. Philipson-Stow and Mr. W. Pickering be re-elected Directors of the Company.

Mr. B. Horkheimer seconded, and it was carried.

The Chairman: I should like to take this opportunity of appealing to the people of Kimberley. De Beers is their bread and butter to a great extent, yet they hold comparatively few shares in De Beers. They speculate and put their money into other concerns, which are not always better. If they were here they could help us from time to time, but as it is now, the help is the other way. Whenever they want any assistance for Kimberley objects they come to De Beers first. That isn't quite cricket. I want the people of Kimberley to own shares here the same as Mr. Compton and Mr. Newberry are doing. Local shareholders should be a source of strength to our Company, and I recommend this to their consideration.

Mr. Rose-Innes moved that Messrs. Howard Pim & Hardy and Messrs. Salisbury & Beaton be appointed Auditors for the ensuing year, and that the remuneration to be paid them be fixed by the Directors.

Mr. A. Siew seconded, and it was carried.

The Chairman moved that the General Manager, the Secretary, Chief Accountant, heads of departments and officials be thanked for their good and loyal service to the Company, and this was carried amid applause.

The Chairman: That ends the business of our Ordinary General Meeting.

Extraordinary General Meeting.

Immediately after the termination of the above Meeting, an Extraordinary General Meeting of the shareholders of the Company was held, in terms of clauses 152 and 153 of the Articles of Association of the Company.

The Secretary having read the notice convening the Extraordinary General Meeting,

The Chairman said: The resolution about to be proposed speaks for itself. The long and short of it is that the Directors, especially the London Directors, have a great deal of expense, particularly as regards income tax, and it has been represented that they should not be charged income tax on the payments made to them for doing service for the Company. This happens also to affect the Resident Directors, who will still personally pay income tax on the allowance which they receive during their presence in South Africa. Our Articles of Association are rather rigid, and it was the proper course before doing this that we should get it approved by a Shareholders' Meeting.

Mr. Arend Brink moved: "That the Articles of Association of the Company be altered in manner following:—

> "In Article 114 the words, 'In going or residing outside the Union of South Africa' shall be deleted, and in the same article the words, 'otherwise provided for' shall be substituted for the words 'hereinbefore provided.'

"Sub-section (i) of Article 84 shall be cancelled, and there shall be substituted therefor the following:

> " 'The Directors shall be paid out of the funds of the Company by way of remuneration for their services at the rate of £1,000 per annum, each, free of income tax, and in addition a sum of £100 per month to each Director during his presence in South Africa.' "

Mr. W. H. Carter seconded, and it was carried unanimously.

The Chairman: I will now thank you, gentlemen, for your presence. We are not yet through the war, and we do not know to what extent you may have to use your patience, and we ours, until it is over. We at any rate, are doing everything we can to keep the war going until victory is accomplished, and to ensure that until that time comes there shall be no peace. (Hear, hear.)

Mr. Newberry: I beg to move a vote of thanks to the Chairman for presiding.

Mr. Brink seconded, and the motion was carried unanimously.

The proceedings then terminated.

De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Thirtieth Annual Report

For the year ending 30th June, 1918.

Directors:

FRANCIS OATS, Chairman.
Sir CARL MEYER, Bart., Deputy Chairman.
F. BARING-GOULD.
L. BREITMEYER.
G. W. COMPTON.
P. ROSS FRAMES, C.M.G.
Colonel Sir DAVID HARRIS, K.C.M.G., V.D., M.L.A.
F. HIRSCHHORN.
S. B. JOEL.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Managers:
I. R. GRIMMER,
J. HARBOTTLE.
H. T. DICKINSON.

Mechanical Engineer:
J. LIDDELL.

Electrical Engineer:
R. W. SMITH.

Secretary:
E. F. RAYNHAM, D.S.O.

Assistant Secretary:
T. J. FORD, M.C., V.D.

Chief Accountant:
J. A. NEVILLE.

Assistant Accountant:
W. M. MILLER.

Diamond Valuator and Broker:
A. BRINK.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4.

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:

HAARHOFF, HERTOG and BURKE, Kimberley.
COWARD and HAWKSLEY, SONS and CHANCE, London.

Auditors:

HOWARD PIM and HARDY, Kimberley and Johannesburg.
SALISBURY and BEATON, Kimberley.

Bankers:

THE STANDARD BANK OF SOUTH AFRICA, Limited, Kimberley and London.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, Limited, London.

D.F.A., LTD., PRINTERS, KIMBERLEY

De Beers Consolidated Mines, Limited.

THIRTIETH ANNUAL REPORT,

For the Year ending 30th June, 1918.

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4.—GENERAL MANAGER'S REPORT.

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REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1918,

To be submitted to the Shareholders at the Thirtieth Ordinary General Meeting to be held on the 13th December, 1918.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their Thirtieth Annual Report, Balance Sheet at 30th June, 1918, Profit and Loss Account for the year ended 30th June, 1918, and Appropriation Account, 30th June, 1918.

The balance undistributed at 30th June, 1917, was represented by Suspense Profit Account—Diamonds unsold at that date	715,578 19 11	
Balance unappropriated	1,135,282 2 5	
		£1,850,861 2 4
Out of this balance there has been appropriated for the Stabiliment of the Diamond Trade an amount representing Investments in other Diamond Mining Companies and Kindred Interests		1,135,277 14 6
		£715,583 7 10
During the year, as shewn by the accompanying statement the revenue from diamonds sold, plus increase of stocks taken at cost amounted to		4,327,648 16 11
Add to this the following:—		
Interest and dividends on Investments	£296,033 3 11	
Net Revenue from Rents	9,408 8 10	
Revenue from other sources	46,459 7 4	
		351,901 0 1
		£5,395,133 4 10
Deduct Expenditure as follows:—		
Productive Mining Expenditure	£1,223,935 7 9	
Maintenance of Mines and Floors temporarily closed down	82,330 1 3	
Expenditure on Farms, Charges, &c.	224,757 17 10	
Interest on Debentures and on Capital of Leased Companies	166,309 18 2	
Sinking Fund towards repayment of Debentures	75,436 3 11	
Expenditure consequent on the War:—		
Salaries and Wages of employees on active service, War Bonus to all employees, Donations to War Funds, etc.	135,265 10 3	
		1,908,034 19 2
Leaving a balance of		£3,487,098 5 8
Which has been dealt with as follows:—		
Union of South Africa Income Tax—Amount set aside ...	£267,517 0 0	
Further amount appropriated for the Stabiliment of the Diamond Trade representing Investments in other Diamond Mining Companies and Kindred Interests	441,249 2 0	
Preference Shareholders:		
Dividends after deduction of Dividend Tax	740,000 0 0	
Deferred Shareholders:		
Dividends £1,000,000 0 0		
Bonus 250,000 0 0		
	1,250,000 0 0	
		2,698,766 2 0
Balance undistributed carried to next year:		
Suspense Profit Account—Diamonds unsold 30th June, 1918	£746,654 12 3	
Balance unappropriated	41,677 11 5	
		£788,332 3 8

The stock of blue ground and lumps on the floors at 30th June, 1918, was as follows:—

De Beers Mine ...	...	...	...	48,396 loads
Wesselton Mine	...	...	...	3,012,570 ,,
Bultfontein Mine	...	...	...	3,220,808 ,,
Dutoitspan Mine	...	...	...	2,795,493 ,,
				9,077,267 ,,

The Profit and Loss Account shows that the Income from diamonds amounted to £4,327,648 16s. 11d., though the actual cash revenue amounted to £4,058,095 2s. 4d. The difference between these figures represents the increase of diamond stocks during the year at cost of production.

The revenue from all other sources amounted to £351,901 0s. 1d.

The total revenue amounted to £4,679,549 17s. 0d., and the total expenditure to £1,908,034 19s. 2d., the balance £2,771,514 17s. 10d. being carried to the credit of Appropriation Account.

The General Reserve Fund stands at £1,605,686 7s. 7d. as compared with £1,701,765 0s. 9d. at 30th June, 1917, the difference having been expended in increasing the stocks of blue ground. The Fund to redeem the De Beers 4½% Exploration Debentures has been increased to £498,944 6s. 1d., both funds being represented by securities which have been taken into the accounts at market prices on 30th June, 1918.

A Special Reserve Fund for the Stabiliment of the Diamond Trade has been created amounting to £1,576,526 16s. 6d., made up as follows:—

Amount appropriated out of the Balance at 30th June, 1917 ...	£1,135,277	14	6
Amount appropriated out of the current year's profits	441,249	2	0
	£1,576,526	16	6

This fund is invested in the shares of other Diamond Mining Companies and Kindred Interests, and is included in the £2,626,526 16s. 6d. shewn on the Assets side of the Balance Sheet.

Your Directors are pleased to report that the demand for diamonds has continued, and as a result of the Company's policy of limiting production to market requirements prices have advanced throughout the year.

The Company has paid during the year to Preference Shareholders the usual dividend of 20/- per share, and to Deferred Shareholders 20/- per share plus a bonus of 5/- per share.

It will be a satisfaction to Shareholders to know that this Company's large interest in the Premier (Transvaal) Diamond Mining Company, Ltd., has yielded a fair return on the investment.

The Chairman, in his speech at the last Annual Meeting, made reference to the South African Marine, Fire and General Insurance Company, Ltd., in which this Company holds a 50% interest. Since its inception, the Insurance Company has carried on marine insurance business with satisfactory results.

A large number of the Company's employees are still on active service with His Majesty's Forces, and your Directors record, with deep regret, that during the year 16 employees have made the supreme sacrifice.

The Cape Explosives Works, Ltd., which is owned and controlled by your Company, has, in spite of continued difficulties in obtaining raw materials, carried on its operations successfully during the year. The sales of explosives amounted to 429,840 cases, as against 437,158 cases for the previous year.

It is with deep regret that your Directors have to report the death on 1st September of Mr. Francis Oats, Chairman of your Company, which position he filled with marked ability for a period of 10 years. By his death, the Company and the Diamond Industry generally have lost a staunch friend, whose advice and guidance have been invaluable, and whose loyalty and devotion to the Company's interests will always be gratefully remembered.

Your Directors also deeply regret to record the death, during the financial year under review, of three members of the Board of the Company, viz., Sir Starr Jameson, Bart., Mr. C. E. Nind and Mr. D. J. Haarhoff. Shareholders will remember that the Chairman, at the last Annual Meeting, referred in feeling terms to the great loss the Company had sustained by the death of those three gentlemen.

It is with pleasure that your Directors record that during the year Mr. W. Pickering, who had been for many years Secretary of the Company, was appointed to a seat on the Directorate.

A Report by the General Manager on the operations of the Company during the year will be submitted at the Meeting.

In terms of clause 84, sub-section (c) of the Company's Articles of Association, three Directors retire, namely:—

Solomon Barnato Joel,
Ludwig Breitmeyer,
Percival Ross Frames,

but being eligible they offer themselves for re-election.

G. W. COMPTON,
P. ROSS FRAMES,
D. HARRIS,
F. HIRSCHHORN,
W. PICKERING,
R. PHILIPSON-STOW,
} Directors.

Kimberley,
20th September, 1918.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :				
800,000 Preference Shares @ £2 10s. 0d. each			2,000,000 0 0	
1,000,000 Deferred Shares @ £2 10s. 0d. each			2,500,000 0 0	
				4,500,000 0 0
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930				1,635,495 0 0
RESERVES (per Contra) :				
General Fund	1,605,686 7 7			
Redemption Fund : South African Exploration Debentures	498,944 6 1			
		2,104,630 13 8		
Blue Ground Stocks, 30th June, 1918, at cost ...		1,295,432 17 9		
Reserve for Stabiliment of the Diamond Trade ...		1,576,526 16 6		
			4,976,590 7 11	
LIABILITY ON STOCKS AND SHARES (per Contra)			1,050,000 0 0	
				6,026,590 7 11
CAPE EXPLOSIVES WORKS, LIMITED				29,436 17 6
CURRENT LIABILITIES :				
Loans and Open Accounts			436,767 9 2	
Unclaimed Dividends and Sundries			567,971 5 2	
Interest on Debentures accrued to date			34,958 14 1	
Commissioner for Inland Revenue, Union of South Africa : Estimated balance due in respect of Normal and Dividend Taxes for year ended 30th June, 1918			230,000 0 0	
Preference Shareholders : Dividend declared 19th June, 1918			370,000 0 0	
Deferred Shareholders : Dividend and Bonus declared 19th June, 1918...			750,000 0 0	
				2,389,697 8 5
SUSPENSE PROFIT ACCOUNT :				
Diamonds unsold, and Participation in South West Africa Diamonds unrealized at date (per contra)				746,654 12 3
BALANCE TRANSFERRED FROM APPROPRIATION ACCOUNT ..				41,677 11 5
CONTINGENT LIABILITY :				
£3 15/- per share uncalled on 79,000 shares in the South African Marine, Fire and General Insurance Company, Limited £296,250				
				£15,369,551 17 6

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 26th September, 1918.

MINES LIMITED.

30TH JUNE, 1918.

PROPERTY :			
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,169,736 4 4		
Estates purchased from the London and South African Exploration Company, Limited	1,635,495 0 0		
Farms and other Landed Property	102,872 13 6		
Machinery, Permanent Works, Offices, Compounds and Stand Property	1 0 0		
		4,908,104	17 10
INVESTMENTS IN STOCKS AND SHARES		698,723	9 3
RESERVE INVESTMENTS AND INVESTMENTS FOR STABILIMENT OF THE DIAMOND TRADE (per contra) :			
Investments representing General and Debenture Redemption Funds per contra at Market Prices 30th June, 1918 ...	2,104,630 13 8		
Blue Ground on Floors :			
9,077,267 loads at cost deposited on Floors	1,295,432 17 9		
Investments in other Diamond Mining Companies and Kindred Interests (see Liability £1,050,000 per contra)	2,626,526 16 6		
		6,026,590	7 11
TIMBER, FUEL, AND OTHER MINING STORES		510,830	5 9
LIVE STOCK		14,304	1 5
DEBTORS, SPECIAL INVESTMENTS, BILLS, AND CASH :			
Open Accounts	286,171 11 1		
Short Loans against Security	78,000 0 0		
Special Investments at Market Prices 30th June, 1918 ...	1,720,607 13 0		
Bills Receivable	346,235 10 3		
Cash at Bankers and in hand—Kimberley and London ...	33,329 8 9		
		2,464,344	3 1
DIAMONDS on hand at cost of Production and Participation in South West Africa Diamonds		746,654	12 3
		£15,369,551	17 6

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto including the

HOWARD PIM & HARDY,
SALISBURY & BEATON, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT, FOR THE

To Productive Mining Expenditure :			
Wesselton Mine :			
Cost of Hauling Blue Ground washed	308,800 16 11		
Washing Expenses	118,795 3 1		
		427,596 0 0	
Bultfontein Mine :			
Cost of hauling Blue Ground washed...	234,885 19 2		
Washing Expenses	131,082 19 0		
		365,968 18 2	
Dutoitspan Mine :			
Cost of hauling Blue Ground washed...	276,360 11 3		
Washing Expenses	154,009 18 4		
		430,370 9 7	
			1,223,935 7 9
,, Non-Productive Expenditure :			
Maintenance of Mines and Floors temporarily closed down ...			82,330 1 3
,, Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway			60,549 10 10
,, Charges :			
Salaries, &c., Head Office		24,081 16 7	
General Charges		31,178 15 6	
Legal Expenses		903 9 2	
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894		52,354 5 8	
Compensation		7,595 15 6	
Auditors' Fees		1,400 0 0	
London Transfer Office—Net Expenses		5,487 13 8	
Directors' Fees		30,701 13 4	
Annual Leave to Employees		10,504 17 7	
			164,208 7 0
,, Interest on Capital of Leased Companies			96,392 10 0
,, Interest on Debentures		73,597 5 6	
Less Union of South Africa Normal Tax, 1/- in £ ...		3,679 17 4	
			69,917 8 2
Carried forward			£1,697,333 5 0

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1918. Cr.

By Diamond Account	£4,327,648	16	11
„ Interest and Dividends on Investments after adjusting Reserve and Special Investments to Market Prices at 30th June, 1918	296,033	3	11
„ Net Revenue from Rents	9,408	8	10
„ Sundry Receipts	33,008	14	10
„ Transfer Fees	164	12	6
„ Profits realized on Investments	13,286	0	0

Carried Forward £4,679,549 17 0

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

Brought Forward		1,697,333 5 0
To Sinking Fund for Repayment of Debentures		75,436 3 11
„ Expenditure Consequent on the War: Salaries and Wages of Employees on Active Service, War Bonus to all Employees, Donations to War Funds, etc. ...		135,265 10 3
Balance carried to Appropriation Account		2,771,514 17 10
		£4,679,549 17 0

APPROPRIATION

To Income Tax: Union of South Africa, Estimated Normal and Dividend Taxes			267,517 0 0
„ Reserve for Stabiliment of the Diamond Trade: Shares in other Diamond Mining Companies and Kindred Interests purchased during the year ended 30th June, 1918	241,249 2 0		
Amount paid off liability in respect of shares purchased prior to 30th June, 1917	200,000 0 0		
		441,249 2 0	
„ Preference Dividend Account:			
10/- per share on 800,000 shares payable to Preference Shareholders registered at 31st December, 1917, in respect of six months ended 31st December, 1917 ...	400,000 0 0		
Less Union of South Africa Dividend Tax ...	30 000 0 0		
		370,000 0 0	
10/- per share on 800,000 shares payable to Preference Shareholders registered at 30th June, 1918, in respect of six months ended 30th June, 1918	400,000 0 0		
Less Union of South Africa Dividend Tax ...	30,000 0 0		
		370,000 0 0	
			740,000 0 0
„ Deferred Dividend Account:			
10/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 31st December, 1917		500,000 0 0	
10/- per share and Bonus of 5/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 30th June, 1918		750,000 0 0	
			1,250,000 0 0
„ Suspense Profit Account: Diamonds unsold at cost, and Participation in South West Africa Diamonds unrealized at date			746,654 12 3
„ Balance, carried to Balance Sheet			41,677 11 5
			£3,487,098 5 8

Kimberley, 26th September, 1918.

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1918.—*Continued.* Cr.

Brought Forward			4,679,549 17 0
			£4,679,549 17 0

ACCOUNT.

By Balance transferred from Profit and Loss Account			2,771,514 17 10
„ Balance unappropriated 30th June, 1917	1,135,282 2 5		
Less Amount transferred to "Reserve for Stabiliment of the Diamond Trade"	1,135,277 14 6		
			4 7 11
„ Suspense Profit :			
Diamonds unsold, and Participation in South West Africa Diamonds, unrealized 30th June, 1917, now written back...			715,578 19 11
			£3,487,098 5 8

E. F. RAYNHAM, *Secretary.*

JNO. A. NEVILLE, *Chief Accountant.*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

" " 2—DE BEERS MINE.

" " 3—WESSELTON MINE.

" " 4—BULTFONTEIN MINE.

" " 5—DUTOITSPAN MINE.

" " 6—TAILINGS.

" " 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s d.	
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	901,818 0 5	1·283	19 8·75	25 3·75	9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525.386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2 435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525⅓	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

* These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8/5·29	693,482¾	38	47/9·24	18/1·83	1,033 060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0.67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1914	Nil.	75,815	6/7.34	27,346½	36	80/10.21	29/1.28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	—	—	—	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	—	—	—	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	—	—	—	48,396
June 30th, 1918	Nil.	Nil.	Nil.	206	—	—	—	48,396

KIMBERLEY MINE.

June 30th, 1917 ... . *76 cts. ... ... * Includes 9½ carats debris,

June 30th, 1918 ... ... 109¾ cts.

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1 393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1,067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10·02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334		227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386
June 30th, 1918	2,065,620	1,805,436	4/10·94	487,828¼	27	54/9·76	14/9·59	3,012,570

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19/2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4/4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11/9	3,138,321
June 30th, 1916	60,997	864,052		342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3/9·856	675,401¾	38	46/11	17/9·94	2,665,777
June 30th, 1918	2,328,615	1,859,531	3/11·61	646,927½	35	49/9·62	17/5·16	3,134,861

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904 Development.	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10.28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15 8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19 1·11	4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7 87	4,358,185
*June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6 25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597		20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	†377,571¼	19	106/11·93	20/3·94	2,411,618
June 30th, 1918	2,200,843	2,178,132	3/8·8	422,657¾	19	108/6 22	20/7 42	2,434,329

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended 8th August, 1914, owing to the war.

†Includes 9 cts. debris.

TABLE No. 6.

TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced. £ s. d.
June 30th, 1901	265,239	50,147½	58,484 12 6
June 30th, 1902	1,151,816	202,830	251,870 12 3
June 30th, 1903	1,347,115	227,477	281,433 18 0
June 30th, 1904	1,881,090	399,065½	442,771 13 5
June 30th, 1905	1,616,030	257,059¾	311,030 7 2
June 30th, 1906	2,200,964	306,190¾	428,177 0 0
June 30th, 1907	4,370,221	557,897¼	800,273 5 0
June 30th, 1908	2,986,778	385,857	*a* 439,876 8 5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3,956	411
June 30th, 1916	—	—
June 30th, 1917	—	—
June 30th, 1918	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.

KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—
June 30th, 1918	—	—

*Productive operations suspended, 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT.

To the Chairman and Directors of

DE BEERS CONSOLIDATED MINES, LIMITED.

GENTLEMEN,

I beg to submit for your consideration my Report on the mining operations of the Company for the year ended 30th June, 1918.

DE BEERS MINE.

The mining of blue ground in this mine was suspended on the 31st July, 1908, and has not yet been resumed.

Development Work.—No development work was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 2,626 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

Output of Blue Ground.—No hoisting was done during the year.

Output of Reef and Blue Mixed.—No reef and blue mixed was hoisted during the year

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 3,520 foot level is estimated to be 2,000,000 loads.

Water.—The average quantity of water pumped from the mine was 6,425 gallons per hour.

Development Work.—No development work was done during the year.

The depth of the Main Rock Shaft is 3,601 feet.

The depth of the Atkins Shaft is 1,009 feet.

The average depth of the Open Mine is 1,200 feet from the surface, and 897 feet from the top of the hard rock. The deepest point is 1,300 feet from the surface.

KIMBERLEY FLOORS.

No blue ground was washed during the year.

No reef and blue mixed was washed during the year, and the stock remains at 571,176 loads.

WESSELTON MINE.

Output of Blue Ground.—The output of blue ground was 2,065,620 loads, as follows:—

500	foot level	4,735 loads.
540	,, ,,	30,794 ,,
580	,, ,,	64,911 ,,
620	,, ,,	99,535 ,,
660	,, ,,	185,614 ,,
700	,, ,,	368,816 ,,
740	,, ,,	475,538 ,,
780	,, ,,	439,719 ,,
820	,, ,,	353,875 ,,
860	,, ,,	32,142 ,,
900	,, ,,	4,185 ,,
940	,, ,,	1,660 ,,
980	,, ,,	3,923 ,,
1,250	,, ,,	55 ,,
1,600	,, ,,	118 ,,
	Total	2,065,620 loads.

58,742 loads of reef or waste ground were also hoisted.

Hoisting was done from the 980 foot level.

The cost of mining and depositing was 3s. 7.15d. per load, as against 3.4.71d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 11,000,000 loads. It is estimated that between the 980 foot level and the 1,550 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 38,080 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	5,296 feet.
Tunnels driven in blue ground	27,041 ,,
Passes sunk in rock	500 ,,
Passes sunk in blue ground	1,412 ,,
Prospect Shafts sunk	598 ,,
Excavations—Rock	64,233 cubic feet.

The depth of No. 1 Main Rock Shaft is 1,119 feet.

The depth of No. 2 Main Rock Shaft is 1,667 feet.

The Main Rock Tunnel on the 1,600 foot level was completed during the year. The total length from No. 2 Main Rock Shaft to No. 7 Rock Prospect Shaft is 1,420 feet.

No. 7 Rock Prospect Shaft from the 980 foot level to the 1,600 foot level holed in December, 1917. The total depth is 628 feet.

A Water Shaft was completed from the surface to the water tunnels, the total depth being 130 feet.

WESSELTON FLOORS.

The stock of blue ground at the end of last year was 2,752,386 loads 2,065,620 loads were deposited, and 1,805,436 loads were washed, leaving a balance of 3,012,570 loads.

The cost of washing was 1s. 3.79d. per load, as against 1s. 5.25d. for the previous year.

The average cost of mining and washing was 4s. 10.94d. per load, as against 4s. 9.96d. for the previous year.

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 2,328,615 loads, as follows:—

720	foot	level	53,615	loads.
760	,,	,, ...	262,667	,,
800	,,	,, ...	300,876	,,
840	,,	,, ...	491,324	,,
880	,,	,, ...	604,059	,,
920	,,	,, ...	525,704	,,
960	,,	,, ...	45,542	,,
1,050	,,	,, ...	6,131	,,
1,100	,,	,, ...	6,147	,,
1,150	,,	,, ...	5,749	,,
1,200	,,	,, ...	5,808	,,
1,250	,,	,, ...	5,166	,,
1,350	,,	,, ...	4,147	,,
1,450	,,	,, ...	4,757	,,
1,550	,,	,, ...	4,329	,,
1,600	,,	,, ...	2,594	,,
Total			2,328,615	loads

53,947 loads of reef or waste ground were also hoisted.

Hoisting was done from the 1,000 foot level.

The cost of mining and depositing was 2s. 6.69d. per load, as against 2s. 4.09d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 7,000,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 24,070 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock	5,993	feet.
Tunnels driven in blue ground	28,890	,,
Passes sunk in rock	1,486	,,
Passes sunk in blue ground	1,342	,,
Water Shaft sunk	82	,,
Excavations—Rock	5,980	cubic feet

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

A Water Shaft was sunk 82 feet. At this depth water tunnels to the extent of 1,383 feet have been driven during the year.

A mud rush occurred on the 20th February, and I regret that three natives lost their lives. Several other mud rushes have occurred at this mine during the year, but fortunately no lives were lost. The damage done to the mine workings was very slight.

BULTFONTEIN FLOORS.

The stock of blue ground at the end of last year was 2,665,777 loads; 2,328,615 loads were deposited, and 1,859,531 loads were washed—of which 33,371 loads were returned to stock as lumps—leaving a balance of 3,134,861 loads.

The stock of cylinder lumps at the end of last year was 52,576 loads; 33,371 loads were deposited, making a balance of 85,947 loads.

The cost of washing was 1s. 4.92d. per load, as against 1s. 5.76d. for the previous year.

The average cost of mining and washing was 3s. 11.61d. per load, as against 3s. 9.85d. for the previous year.

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 2,200,843 loads, as follows:—

430	foot	level	14,175 loads.
470	,,	,,	284,059 ,,
510	,,	,,	323,258 ,,
550	,,	,,	965,255 ,,
590	,,	,,	512,069 ,,
630	,,	,,	102,027 ,,
		Total	2,200,843 loads.

4,567 loads of reef or waste ground were also hoisted.

Hoisting was done from the 750 foot level.

The cost of mining and depositing was 2s. 3.84d. per load. No mining costs were shown last year as operations were not resumed until the 7th May, 1917.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 12,000,000 loads. It is estimated that between the 750 foot level and the 1,300 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 5,292 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock	810 feet.
Tunnels driven in blue ground	15,591 ,,
Passes sunk in rock	35 ,,
Passes sunk in blue ground	270 ,,
Excavations—Rock	3,790 cubic feet.

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

The stock of blue ground at the end of last year was 2,411,618 loads; 2,200,843 loads were deposited, and 2,178,132 loads were washed—of which 195 loads were returned to stock as lumps—leaving a balance of 2,434,329 loads.

The stock of cylinder lumps at the end of last year was 360,969 loads; 195 loads were deposited, making a balance of 361,164 loads.

The cost of washing was 1s. 4.97d. per load, as against 1s. 5.19d. for the previous year.

The average cost of mining and washing was 3s. 8.81d. per load.

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Present Year.	Previous Year.
De Beers Mine	——	——
Kimberley Mine	——	——
Wesselton Mine	2,065,620	1,814,393
Bultfontein Mine	2,328,615	2,092,267
Dutoitspan Mine	2,200,843	135,650
Total	6,595,078	4,042,310

LOADS BLUE GROUND WASHED.

	Present Year.	Previous Year.
De Beers Mine	——	——
Kimberley Mine	——	——
Wesselton Mine	1,805,436	1,669,104
Bultfontein Mine	1,859,531	1,761,756
Dutoitspan Mine	2,178,132	1,957,335
Total	5,843,099	5,388,195

STOCKS.—LOADS.

	BLUE.		LUMPS.		TOTAL.	
	30th June, 1918.	30th June, 1917.	30th June, 1918.	30th June, 1917.	30th June, 1918.	30th June, 1917,
De Beers Mine	48,396	48,396	——	——	48,396	48,396
Kimberley Mine	——	——	——	——	——	——
Wesselton Mine... ...	3,012,570	2,752,386	——	——	3,012,570	2,752,386
Bultfontein Mine ...	3,134,861	2,665,777	85,947	52,576	3,220,808	2,718,353
Dutoitspan Mine ...	2,434,329	2,411,618	361,164	360,969	2,795,493	2,772,587
Total	8,630,156	7,878,177	447,111	413,545	9,077,267	8,291,722

REEF AND BLUE MIXED.

	30th June, 1918.	30th June, 1917.
Kimberley Mine	571,176	571,176.

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Present Year.	Previous Year.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	.27 ct.	.27 ct.
Bultfontein Mine	.35 ct.	.38 ct.
Dutoitspan Mine	.19 ct.	.19 ct.

GENERAL REMARKS.

Tramways.—The Tramway System has been well patronized by the general public. In addition to the Company's employees, who travel free of charge, and school children and shop assistants, who are conveyed at reduced fares, 3,071,684 passengers were carried during the year, as against 2,616,854 for the previous year.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 970,904 units, as against 883,984 for the previous year.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 13.77 inches, as compared with 12.23 inches for the previous year.

The rainfall for the last seven years was as follows:—

Year ended 30th June,				1912	...	16.83 inches
,,	,,	,,	,,	1913	...	14.49 ,,
,,	,,	,,	,,	1914	...	10.82 ,,
,,	,,	,,	,,	1915	...	17.10 ,,
,,	,,	,,	,,	1916	...	11.56 ,,
,,	,,	,,	,,	1917	...	12.23 ,,
,,	,,	,,	,,	1918	...	13.77 ,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1918, was approximately 108,313,000 gallons, as compared with approximately 270,031,000 gallons on the 30th June, 1917.

Purified Water.—All our boiler plants were supplied with water from the purifying plant at Wesselton Mine.

Diamond.—On the 26th September, 1917, a native picked up a 442¼ carat diamond on the Dutoitspan Mine Dump. The stone is perfectly free from flaws, and constitutes a record find for the Dutoitspan Mine, both as regards size and value; and although it is second in size to a stone weighing 503¼ carats found in De Beers Mine on the 8th June, 1896, it is the most valuable diamond ever found in the mines here by the Company.

Death of Mr. J. M. McCullum.—I regret to have to report that Mr. J. M. McCullum, Chief Storekeeper, died on 6th August, 1917.

Mr. McCullum joined the old De Beers Company before the Amalgamation, and was with us for a number of years. He left the Company's service in May, 1897, and proceeded to Rhodesia. Returning to Kimberley he was appointed to a position in the Stores Department on 18th March, 1907, afterwards becoming Chief Storekeeper on 18th November, 1908.

Fatal Accidents.—I regret to have to report that the undermentioned Europeans lost their lives accidentally during the year through falls of ground:—

Philip Rudolph Herholdt at Wesselton Mine on the 15th November, 1917.
George Pearson Watson at Bultfontein Mine on the 12th April, 1918.

Employees.—The number of white employees at 30th June, 1918, was 2,118 men and 199 lads, as compared with 1,926 men and 158 lads at 30th June, 1917. These figures do not include the men on active service, viz., 370 white employees at 30th June, 1918, and 354 at 30th June, 1917.

The number of natives employed at 30th June, 1918, was 12,303, as compared with 10,548 at 30th June, 1917.

Native Labour.—The native labour required by the company was practically supplied by natives voluntarily presenting themselves at the Compounds.

THE WAR.

War Bonus.—As from the 1st January, 1917, a war bonus of £2 per month has been paid to all European employees of the Company—whether at work or on Active Service—irrespective of position, *and in addition thereto* the following bonuses were granted as from the 1st January, 1918:—

(1) 15/- per month to all employees receiving more than 18/6 per day but not more than 20/-.

(2) 20/- per month to all employees receiving more than 16/8 per day but not more than 18/6.

(3) 30/- per month to all employees receiving 16/8 per day.

(4) 40/- per month to all employees receiving not less than 7/6 but less than 16/8 per day.

Employees drawing over 20/- per day, and lads and apprentices earning under 7/6 per day, do not receive any bonus beyond the abovementioned £2 per month.

The Company continues to allow to its employees with the Union Forces, the difference between their Company half-pay and their Military pay, the married men retaining their separation allowance, which is not deemed to be "pay," whilst employees with the Forces overseas are allowed their Company half-pay in addition to their Military pay and allowances, and in addition the war bonus is allowed. The expenditure to 30th June, 1918, was as follows:—

	Year ended 30th June, 1915.	Year ended 30th June, 1916.	Year ended 30th June, 1917.	Year ended 30th June. 1918.	Total.
Overseas Forces	—	£18,805 19 9	£26,453 18 1	£34,028 3 7	£79,288 1 5
Union Military Forces	£67,854 10 3	£50,534 4 2	£10,936 13 2	£5,323 0 11	£134,648 8 6
War Bonus to employees on Active Service	—	—	£4,029 12 8	£11,341 2 6	£15,370 15 2
Total	£67,854 10 3	£69,340 3 11	£41,420 3 11	£50,692 7 0	£229,307 5 1

The number of employees on Active Service at 30th June, 1918, was as follows:—

Overseas	277
Union Military Forces	93
Total	370

I regret to have to report that there have been many casualties amongst employees on Active Service.

The following list gives all the casualties since the War began, and has been compiled from the Official Casualty Lists published up to the 30th September, 1918:—

CASUALTIES.

KILLED IN ACTION, DIED OF WOUNDS, OR DIED ON SERVICE.

Pte. Henry Acres.	Dutoitspan Mine Compound.	Oversea Infantry.
,, E. S. Anderson.	Pulsator.	,, ,,
,, T. H. Anderson.	Workshops.	,, ,,
,, W. E. Anderson.	Wesselton Mine.	2nd Batt'n., Kimberley Regt.
Major J. N. F. Armstrong.	Mining Engineer.	Royal Engineers.
Pte. W. V. Bailey.	Wesselton Mine.	Oversea Infantry.
,, A. F. Baird.	Bultfontein Mine.	,, ,,
,, T. W. Beaton.	Wesselton Floors.	,, ,,
,, George Beynon.	Bultfontein Floor Compound.	,, ,,
,, Cyril Bishop.	Dutoitspan Mine.	,, ,,
,, William Borcher.	Bultfontein Floors.	,, ,,
Sergt. C. H. Botha.	Wesselton Floors.	5th S.A.N.L. Contingent.
Pte. S. A. H. Bothma.	Wesselton Mine.	Oversea Infantry.
Lieut. W. T. C. Braine.	Diamond Sorting Dept., Head Office.	3rd West Riding Regiment.
Pte. T. E. Brocklebank.	Dutoitspan Mine.	Oversea Infantry.
L/Cpl. J. H. Brown.	Wesselton Floors.	Cape Peninsula Rifles.
Lieut. H. D. L. Burke.	Dutoitspan Mine.	5th S.A. Infantry.
Pte. A. W. Byrne.	Bultfontein Mine.	Oversea Infantry.
,, H. B. D. Coxen.	Bultfontein Floors.	85th Battalion, Rifle Brigade.
L/Cpl. J. J. Cross, junr.	Kimberley Mine.	2nd Batt'n, Border Regiment.
,, P. M. Dickins.	Dutoitspan Mine.	Oversea Infantry.
,, F. R. J. Dring.	Wesselton Floors.	,, ,,
Pte. H. W. Fairweather.	Kimberley Mine.	,, ,,
Lieut. W. R. Farquhar.	Mine Survey Department.	Royal Field Artillery.
Pte. D. J. Farquharson.	Bultfontein Mine.	Oversea Infantry.
,, S. L. Feneysey.	De Beers Floors.	,, ,,
,, W. J. Fink.	Wesselton Mine.	,, ,,

Tpr. A. H. Fisher.	Bultfontein Mine Compound.	Kimberley Central Commando
Pte. J. L. Fivaz.	Dutoitspan Mine.	Oversea Infantry.
Gunner J. W. Francke.	Kimberley Mine.	Oversea Heavy Artillery.
Pte. John Fraser.	Wesselton Mine.	Oversea Infantry.
,, C. A. Furmidge.	Wesselton Floors.	,, ,,
,, A. H. Good.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
,, J. J. Gravell.	Bultfontein Mine.	Oversea Infantry.
,, E. P. Gregory.	Convict Station.	2nd Batt'n, Kimberley Regt.
Cpl. J. M. Hanssen.	Wesselton Floors.	Oversea Infantry.
Capt. Fred. Harrison.	Head Office.	2nd Batt'n, Kimberley Regt.
Pte. W. S. Harvey.	Dutoitspan Floors.	5th S.A. Infantry.
,, F. H. Indge.	Dutoitspan Floors.	Oversea Infantry.
,, H. M. E. Jakins.	Bultfontein Mine Compound.	,, ,,
,, A. L. Johnston.	Wesselton Mine.	6th Battalion, Australian Infantry.
,, E. J. Johnston.	Workshops.	Oversea Infantry.
,, W. A. Kenney.	Dutoitspan Floors.	,, ,,
,, W. J. Kirkham.	Convict Station.	,, ,,
Sergt. S. H. Ledger.	Accountant's Department, Head Office.	,, ,,
L/Sergt. A. E. Lennox.	Wesselton Compounds.	,, ,,
2nd Lieut. J. R. H. Liddell.	Workshops.	Royal Air Force.
L/Cpl. William McFarlane.	Dutoitspan Mine.	Oversea Infantry.
Pte. J. C. McGregor.	Workshops.	,, ,,
,, T. W. McGuinness.	Dutoitspan Mine.	,, ,,
,, Donald McTavish.	Wesselton Floors.	S.A. Veteran Regiment.
,, W. F. Maltman.	Workshops.	Oversea Infantry.
,, W. C. Manuel.	Wesselton Mine.	8th S.A. Infantry.
,, John Martin.	De Beers Floors.	Oversea Infantry.
Tpr. D. J. Mitchell.	Wesselton Mine.	Kimberley Central Commando.
Pte. W. F. Moore.	Dutoitspan Mine.	Oversea Infantry.
,, Duncan Munro.	Workshops.	,, ,,
,, William Needham.	Workshops.	,, ,,
,, H. P. Nelson.	Workshops.	Army Service Corps (Motor Transport).
,, Alfred Nicholson.	Land Survey Department, Head Office.	Oversea Infantry.
,, H. J. A. Poulton.	De Beers Floors.	,, ,,
L/Cpl. W. R. Rae.	Workshops.	,, ,,
Driver J. S. Robertson.	Wesselton Mine.	Mechanical Transport.
Pte. H. W. Rogers.	Wesselton Floors.	S.A. Veteran Regiment.
,, A. A. W. Rule.	Wesselton Mine.	Oversea Infantry.
,, Frederick Slinger.	Workshops.	,, ,,
,, A. W. Sly.	Wesselton Floors.	,, ,,
,, E. J. Sly.	Workshops.	,, ,,

2nd Lieut. F. P. Smith.	Benefit Society.	Oversea Infantry.
L/Cpl. C. A. C. Tomlinson.	Dutoitspan Mine Compound.	,, ,,
Pte. H. L. J. van Rensberg.	Dutoitspan Floors.	S.A .Veteran Regiment.
Capt. A. E. Ward.	Workshops.	Oversea Infantry.
Pte. P. E. Watkins.	Kimberley Mine.	,, ,,
,, W. C. Watts.	Workshops.	S.A. Special Service Company.
,, R. W. Whitter, junr.	Workshops.	Oversea Infantry.
,, R. J. Whitter.	Bultfontein Mine.	,, ,,
,, Walter Williams.	Wesselton Floors.	,, ,,

MISSING.

Lieut. G. W. B. Bradford.	Accountant's Department, Head Office.	Royal Air Force.
Pte. J. J. du Toit.	Bultfontein Floors.	Oversea Infantry.
,, A. J. Kelly.	Dutoitspan Mine.	,, ,,
,, Joseph Lanson.	Wesselton Mine.	,, ,,
,, Victor Potter.	K. & A.E. Railway.	,, ,,
,, N. G. Windell.	Convict Station.	,, ,,

WOUNDED.

Pte. J. G. Barker.	Workshops Stables.	Oversea Infantry.
,, T. G. Bawden.	Workshops.	,, ,,
,, Albert Beck.	Bultfontein Mine.	South Lancashire Regiment.
,, S. C. J. Bosch.	Wesselton Mine.	Oversea Infantry.
,, H. L. Botes.	De Beers Floors.	,, ,,
,, Francis Botha.	Workshops.	,, ,,
2nd Lieut. F. K. Bradford.	Estate Department, Head Office.	8th Northumberland Fusiliers.
Lieut. J. S. Braine.	Diamond Sorting Department, Head Office.	3rd West Riding Regiment.
Pte. P. T. Brand.	Workshops.	Oversea Infantry.
,, E. E. Bruckmann.	Workshops.	,, ,,
,, C. G. Bryant.	Dutoitspan Floors.	,, ,,
Capt. C. E. Calvert.	Bultfontein Mine Compound.	2nd S.A. Rifles.
Sergt. W. J. Carroll.	Workshops.	Oversea Infantry.
Pte. F. J. Castles.	Wesselton Floors.	,, ,,
,, N. J. Castles.	Kimberley Floors.	,, ,,
,, Christopher Charlton.	Bultfontein Mine.	,, ,,
Gunner W. E. Churchill.	Kimberley Mine.	Oversea Artillery.
L/Sergt. Charles Clark.	Dutoitspan Mine Compound.	Oversea Infantry.
C.S.M. A. B. Clements.	Wesselton Floors.	2nd Cape Corps.
Pte. H. H. A. Clifford.	Convict Station.	Oversea Infantry.
Lieut. V. H. Collins.	Workshops.	Royal Air Force.
Pte. Joseph Collinson.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
,, J. W. Colvin.	Bultfontein Floors.	Oversea Infantry.
,, H. F. Cooper.	Wesselton Floors.	2nd Batt'n, Kimberley Regt.

Pte. G. H. Cosgrove.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
Gunner C. M. G. Coughlan.	Workshops.	Oversea Heavy Artillery.
Pte. E. J. Croft.	Kimberley Floors.	Oversea Infantry.
,, J. T. Currie.	Bultfontein Mine.	S.A. Veteran Regiment.
,, E. J. Dennis.	Wesselton Mine.	S.A.M.C.C.
,, A. E. Dolby.	Dutoitspan Floors.	Oversea Infantry.
,, A. H. Ebdon.	Workshops.	2nd Batt'n, Kimberley Regt.
,, W. C. H. Edgerton.	Wesselton Compounds.	2nd Batt'n, Kimberley Regt.
,, W. S. Edmunds.	Central Power Station.	S.A. Medical Corps.
,, C. W. C. Estment.	Bultfontein Mine.	Oversea Infantry.
Cpl. P. E. Farquharson.	Bultfontein Mine.	,, ,,
L/Cpl. F. R. Farr.	Wesselton Mine.	,, ,,
Pte. W. H. Felton.	Wesselton Mine.	,, ,,
,, E. J. Filer.	Workshops.	,, ,,
,, W. T. Filer.	Workshops.	,, ,,
Gunner C. J. Fitzpatrick.	K. & A.E. Railway.	Oversea Heavy Artillery.
Pte. J. J. Fourie.	Wesselton Mine.	Oversea Infantry.
,, S. H. Freislich.	Stores Dept., Workshops.	,, ,,
,, Joseph Furno, junr.	Wesselton Mine.	,, ,,
,, P. A. Gibson.	Workshops.	,, ,,
,, J. T. Goodrich.	Workshops.	Railway Regiment.
,, Abraham Green.	K. & A.E. Railway.	Oversea Infantry.
,, E. S. Green.	Wesselton Floors.	,, ,,
,, G. L. Green.	Bultfontein Mine.	,, ,,
Cpl. S. W. Green.	Dutoitspan Floors.	,, ,,
Pte. William Grindlay.	Central Time Office.	,, ,,
Lieut. W. L. Haddock.	Diamond Sorting Department, Head Office.	Tanks Corps.
C.S.M. W. A. Hampshire.	K. & A.E. Railway.	S.A. Railway Regiment.
Pte. Harry Hargreaves.	Workshops.	Oversea Infantry.
,, M. G. Hart.	Workshops.	,, ,,
Gunner R. R. Hawke.	Wesselton Mine.	S.A. Heavy Artillery.
Cpl. Frank Herbert.	Workshops.	Oversea Infantry.
,, W. A. Hermiston.	Workshops.	,, ,,
Pte. J. G. F. Hocknell.	Wesselton Mine.	,, ,,
Sergt. H. B. Humphreys.	De Beers Floors.	9th Mounted Brigade, Field Ambulance.
Pte. R. P. Humphries.	Kimberley Mine.	Oversea Infantry.
Gunner Harry Jackson.	Workshops.	Oversea Heavy Artillery.
Pte. E. G. Jarrard.	Workshops.	Oversea Infantry.
Major H. H. Jenkins.	Bultfontein Floor Compound.	,, ,,
Gunner H. W. Johns.	Bultfontein Mine.	Oversea Artillery.
Pte. J. R. Johnson.	Workshops.	S.A. Railway Regiment.
,, J. A. Johnson.	Kimberley Floors.	Oversea Infantry.
Gunner F. E. Kelly.	Dutoitspan Mine.	Oversea Heavy Artillery.
Pte. J. L. Keppie.	Workshops.	Oversea Infantry.

Pte. G. S. J. Lambourne.	Workshops.	Oversea Infantry.
L/Cpl. William Laxson.	Workshops.	,, ,,
Pte. R. C. Leach.	Kimberley Floors.	,, ,,
,, Stephen Livingston.	Kimberley Mine Compound.	,, ,,
,, J. P. McGowan.	Bultfontein Mine Compound.	,, ,,
,, H. F. Mackintosh.	Dutoitspan Mine.	2nd Rhodesian Regiment.
,, C. L. Maloney.	Workshops.	Oversea Infantry.
,, J. H. E. May.	Dutoitspan Floors.	,, ,,
,, Alexander Milne.	Wesselton Floors.	7th S.A. Infantry.
,, A. D. Mitchell.	Wesselton Mine.	Oversea Infantry.
Gunner E. A. Mitchell.	Wesselton Mine.	Oversea Heavy Artillery.
Pte. J. A. Moore.	Workshops.	Oversea Infantry.
,, G. F. C. Murray.	Wesselton Floors.	,, ,,
Capt. A. R. Newlands.	Estate Department, Head Office.	125th Oxford Heavy Battery, Royal Garrison Artillery.
Gunner John O'Donoghue.	Wesselton Mine.	Oversea Artillery.
Pte. F. T. Oxley.	Workshops.	Oversea Infantry.
,, G. W. W. Parker.	Workshops.	S.A. Infantry.
L/Cpl. A. S. Parsons.	Workshops.	Oversea Infantry.
Cpl. T. H. Pierdica.	Bultfontein Floors.	,, ,,
Pte. C. J. Pike.	Bultfontein Floor Compound.	,, ,,
L/Cpl. J. R. Prince.	Workshops.	,, ,,
Gunner H. G. F. Rawson.	Workshops.	Oversea Heavy Artillery.
R.S.M. James Richardson.	Workshops.	2nd Batt'n, Kimberley Regt.
Pte. J. V. Robey.	Convict Station.	Oversea Infantry.
,, W. J. Rodwell.	Wesselton Mine.	,, ,,
Gunner I. H. Salonika.	Drawing Office, Head Office.	Oversea Heavy Artillery.
L/Cpl. P. J. Scott.	Bultfontein Mine.	Oversea Infantry.
Pte. E. H. Scrace.	Dutoitspan Mine.	,, ,,
,, C. J. Seitz.	Wesselton Floors.	,, ,,
Gunner J. J. R. Sherriff.	Workshops.	Oversea Heavy Artillery.
Pte. J. A. H. Short.	Pay Dept., Head Office.	Oversea Infantry.
,, A. R. W. Smart.	Workshops.	,, ,,
Sergt. Alexander Smith.	Bultfontein Mine.	,, ,,
L/Cpl. J. W. Spicer.	Bultfontein Floors.	,, ,,
Pte. V. W. Spruce.	Workshops.	,, ,,
,, J. S. Summers.	Workshops Stables.	,, ,,
L/Cpl. J. H. Taylor.	Workshops.	,, ,,
Pte. Mackenzie Taylor.	Workshops.	,, ,,
Gunner C. H. H. Thompson.	Bultfontein Floors.	Oversea Heavy Artillery.
Pte. C. M. Thompson.	Workshops.	Oversea Infantry.
,, Robert Thompson.	Workshops.	,, ,,
,, L. C. Trollip.	Dutoitspan Floors.	,, ,,
,, S. E. R. van der Schyff.	Bultfontein Mine.	,, ,,
,, A. E. van Renen.	Secretary's Department, Head Office.	,, ,,

Tpr. G. J. J. van Rensberg.	Convict Station.	Helgaard's Scouts.
Pte. N. J. Vlok.	Dutoitspan Floors.	Oversea Infantry.
Gunner J. H. Watcham.	Wesselton Mine	Oversea Heavy Artillery.
Sergt. H. E. Watkins.	Workshops.	Oversea Infantry.
Pte. H. L. White.	Workshops.	8th S.A. Infantry.
,, A. J. Wright.	Workshops.	Oversea Infantry.
Cpl. S. F. H. Wyattcouch.	De Beers Mine.	Duke of Cornwall's Light Infantry.
Pte. S. S. Young.	Dutoitspan Mine.	Oversea Infantry.
,, A. E. Youngman.	Bultfontein Mine Compound.	,, ,,
C.S.M. T. J. W. Zeiss.	Bultfontein Floors.	,, ,,

PRISONERS OF WAR.

*Pte. William Bayman.	Workshops.	Oversea Infantry.
,, W. J. Birkett.	Bultfontein Mine.	,, ,,
* ,, A. P. Bothma.	Workshops.	,, ,,
* ,, D. D. Clack.	Dutoitspan Floors.	,, ,,
,, V. J. C. Clark.	Workshops.	,, ,,
* ,, F. A. K. Devenish.	Wesselton Compounds.	,, ,,
*Lieut. W. D. Henry.	Stores Dept., Workshops.	,, ,,
*Sergt. F. C. Jukes.	Dutoitspan Mine Compound.	,, ,,
*L/Sergt. H. S. Kipling.	Dutoitspan Mine.	,, ,,
L/Cpl. S. G. Lambourne.	Dutoitspan Mine.	,, ,,
*Pte. W. H. Moss.	Workshops.	,, ,,
,, H. C. Nixon.	Wesselton Mine.	,, ,,
Sergt. T. E. Oliphant.	Dutoitspan Floors.	,, ,,
*Major T. Ormiston.	Farms Dept., Head Office.	,, ,,
*Pte. J. A. Smith.	Workshops.	,, ,,
* ,, M. B. Ward.	Workshops.	,, ,,
*Sergt. Bernard White.	Wesselton Mine.	,, ,,
*Pte. J. G. Whitehead.	Bultfontein Floors.	,, ,,
,, M. P. Zara.	Bultfontein Floors.	,, ,,

*Also wounded.

The following is a summary of the casualties since the commencement of the War:—

Killed and Died.	Wounded, Prisoners of War, and Missing.	Total.
77	147	224

In conclusion, I beg to thank the Directors of the Company, the various heads of departments, and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

Kimberley,
1st October, 1918.

De Beers Consolidated Mines, Limited.

Thirtieth Ordinary General Meeting.

The Thirtieth Ordinary General Meeting of the Shareholders of De Beers Consolidated Mines, Limited, was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, 13th December, 1918. There were present: Colonel Sir David Harris, K.C.M.G., V.D., M.L.A. (who presided), Mr. G. W. Compton, Mr. W. Pickering (and q.q. A. Gloag), Mr. P. Ross Frames, Mr. R. Philipson-Stow, Mr. F. Hirschhorn, Mr. A. Brink, Dr. A. G. W. Compton, Mr. W. M. Miller, Mr. E. Oppenheimer, Mr. B. Horkheimer, Mr. E. E. Newberry, Mr. T. Rowe English, Mr. Geo. R. Benford, Mr. A. Siew, Mr. L. McBean, Mr. E. W. Weatherby, Mr. Colin W. Lawrence, Mr. J. J. T. King (and q.q. Mrs. R. McFarland, Mrs. J. McCullagh, D. van Ulsen, and estate late C. A. E. H. Meyer), Mr. H. Rose Innes, Mr. A. Westcott, Mr. Paul Senier, Mr. Walker Marshall, Mr. A. S. Gibson, Mr. C. E. Hertog (the Company's solicitor), and Mr. E. F. Raynham (secretary).

	Shares.
Colonel Sir David Harris held proxies representing ...	190,788
Mr. F. Hirschhorn held proxies representing	69,813
Mr. G. W. Compton held proxies representing	3,710
Mr. R. Philipson-Stow held proxies representing ...	6,288
Mr. A. Brink held proxies representing	7,726

The Secretary read the notice convening the meeting, after which he also read the minutes of the last Annual General Meeting of Shareholders held on 30th of November, 1917, and an Extraordinary General Meeting held on the same date immediately after the Annual Meeting. The minutes were duly confirmed.

The Chairman: As the Directors' Report and the Accounts have been in the hands of the Shareholders several days, I take it that you will follow the usual custom, and that some Shareholder will be good enough to propose that they be taken as read, which will save considerable time.

Mr. H. Rose Innes moved, and Mr. J. J. T. King seconded, that the Directors' Report and Accounts be taken as read, and, there being no objection, the motion was agreed to.

Colonel Sir David Harris then rose to move the adoption of the Directors' Report, Balance Sheet and Profit and Loss Account. In so doing he said:

At the last Annual Meeting the Chairman referred in sympathetic and touching terms to the death of four Directors of this Company, and the loss thus sustained by the removal of gentlemen who had been long and honourably associated with us in the conduct of its affairs. To-day it is my sad duty to mention yet another great loss in the death of Mr. Francis Oats, who was a Director of this Company for 28 years, and occupied the responsible position of Chairman since 1908. Mr. Oats was a self-made man, who overcame the disadvantages he laboured under in early life, and by dint of hard study, indomitable persistency, and determination, laid the foundation of the distinguished and remarkable career which came to an honourable close in his 70th year. His devotion to the interests of this Company was unbounded, and his solicitude for the welfare of its employees was uppermost in his thoughts. His whole soul was wrapped up in De Beers Company, and his activities on its behalf knew no limitation, though even then he found time to take an active interest in the affairs of South Africa generally, and to render valuable service in many ways. On behalf of the Board, I express our deep regret at the loss of a capable and indefatigable colleague. (Hear, hear.)

In dealing with the finances of the Company, I will firstly direct your attention to the debit side of the Balance Sheet. The items Capital Account and liability in respect of debentures remain the same as the previous year. Last year our General and Debenture Redemption Fund stood at £2,122,958, which has been increased to £2,208,992 by the addition of £86,034. From the big figure must be deducted £104,362, the cost of increasing our blue ground stocks from 8,291,722 loads to 9,077,267 loads, which leaves a balance of £2,104,630. Against this amount we have £1,500,000 invested in British War Loan, £250,000 in British National War Bonds, £100,000 in French National Loan, £25,000 in French Treasury Bills, and the balance in British Treasury Bills. I may mention that our total holding in loans raised for carrying on the war is £3,203,000. (Applause.) I feel confident that our Shareholders will approve of the action of the Board in subscribing such large sums to assist in maintaining the integrity of the Empire, and in all probability the security of our own property—(applause)—for which the enemy would have shown scant regard if he had been the victor in this great conflict. (Hear, hear.)

The value of blue ground stocks has since last year increased by £104,362, and now stands at £1,295,433.

A sum of £1,576,526 has been set aside as a reserve for the stabiliment of the diamond trade. This figure represents amounts which have been used from time to time for the purchase of shares in other diamond mining companies and kindred interests with the object of consolidating the diamond industry, and to prevent diamonds being put on the market in excess of the demand. The greater part of this amount appeared in our Balance Sheet last year under the heading "Amount transferred from Appropriation Account." The balance has been taken from this year's profits.

On the assets side of the Balance Sheet, £2,626,526 is shown as "Investments in other Diamond Mining Companies and Kindred Interests." The £1,576,526 which I have already mentioned is included in this, leaving a balance of £1,050,000, which appears as a liability in the Balance Sheet. As this £1,050,000 is reduced, so the reserve will increase, and when the liability is wiped out the reserve on the liability side and the investment figure on the asset side will equal each other.

Our reserves have reached a fairly substantial figure, but are not in excess of the amount that may be required in an emergency to meet our obligations and responsibilities. When war was declared between England and Germany on the 4th of August, 1914, there was a financial deadlock in London. I can speak of this with some authority, as I happened to be in England at the time. Bank of England notes could not be exchanged for gold, credit was at a standstill, and it was quite out of the question for a mining company to borrow large sums of money. The state of affairs was so serious that we felt compelled to close our mines, but at the same time we rendered every assistance to our employees. The decision of the Board to stop work was fully justified, because we did not sell a solitary diamond for eleven months after hostilities commenced. The recent Influenza Epidemic is a painful object-lesson of the great risks attending our operations, as the bulk of the natives working for the Company insisted on leaving for their homes; consequently our mines have been shut down since the 4th of October, though in spite of this we have not dismissed any of our white employees. (Applause.) Realising the necessity for having an adequate reserve, we have succeeded in setting aside an amount which should be sufficient to keep our mines working during an emergency, as we are most anxious to keep our people employed, and not to cease work, as we were forced to do at the commencement of the War. (Hear, hear.)

The policy of regulating the sale of diamonds to the demand has benefited the small concerns, and also the alluvial diggers, who continually produce as much as possible, and reap the advantage of the control by securing greatly enhanced prices for their finds.

The Company's cash reserve at 30th June, 1918, amounted to £2,104,000—a very big sum, but not too large to enable the Company to tide over any temporary lull in the demand, and to ensure the withholding of diamonds that the world for a time would not be prepared to purchase. To maintain prices it is imperative that we should have adequate resources, so that the mines may continue working without being compelled to force sales on an unwilling market, which would inevitably result in a fall in prices, and in shaking the confidence of the trade which it has taken many years to establish, and the trade relies on the big producers to protect its interests. (Applause.) The power to maintain prices by regulating the supply to the demand is no longer a theory but an established fact, which years of actual experience have positively demonstrated.

Last year £4,979,436 stood to the credit of Property Account. This has been reduced by £71,331 by deducting £70,117 from the previous year's figure of suspense liability, and £8,700 sale of sundry machinery, and adding £7,486 for farms purchased.

In last year's Balance Sheet, investments in stocks and shares figured at £3,121,885, of which £2,385,278 (representing investments in other diamond companies) has been transferred to our investments under that heading. Through the drawing of debentures, etc., we realised £37,884, leaving a balance of £698,723 in this year's accounts.

The figure of £2,626,526 16s. 6d., under the heading Investments in other Diamond Mining Companies and Kindred Interests, is made up of the aforementioned £2,385,278 and the outright purchases during the year, the latter amounting to £241,249, as per the Appropriation Account.

This year timber, fuel and other mining stores appear in the statement of accounts at £510,830. Last year the amount was £412,839, showing an increase of £97,991. This

difference represents the enhanced value of the stores at to-day's prices rather than an increase in quantity.

We have spent £67,000 more this year than during last year in productive mining expenditure, and for this additional sum we treated approximately 430,000 more loads. The cost of production is fully set forth in the General Manager's Report.

On non-productive expenditure we spent last year £139,099 against £82,330 during the present year, a reduction of £56,769. This difference is due to the fact that whereas during last year hauling operations at Dutoitspan Mine were only carried on for two months, such operations at that mine continued throughout the year under review.

There is a decrease of £10,000 in Charges Account. The amount paid in interest on capital of Leased Companies and Debentures, and set aside in the Sinking Fund providing for repayment of Debentures, is practically the same as last year. In regard to the item "Expenditure consequent on the War," I may state for your information that the war bonus has been augmented, and the amount paid to employees on active service has also increased.

Up to the end of June last the total expenditure owing to the War in the shape of half-pay to employees on active service, war bonus, and donations to various funds, amounted to £451,955. (Applause.)

In our financial year ended 30th June, 1917, the sales of diamonds amounted to £4,606,750 against £4,030,723 for the following 12 months, a decrease of £576,027. In consequence of this falling-off in sales, our stocks this year have been increased by £269,554, as against last year's increase of £23,021, which represents an additional credit in the Diamond Account in respect of stocks of £246,533. The figure shown in our Diamond Account this year is therefore £329,494 less than last year. The Company's participation in South-West Africa diamonds yielded £27,371, making a total difference of £302,123, being the net difference between this and last year's figure in the Diamond Account.

The actual increase in Interest and Dividends on Investments was £70,453, the figure this year being £308,699 against £238,246 last year. The actual fall in value of our reserve and special investments for the year ended 30th June, 1917, was £21,064; this year it is £12,666; that is to say, we lost £8,398 less than last year by following our usual practice of taking in our securities at current market value. This Account shows a yield of £296,033 as against £217,182 last year, an improvement of £78,851.

Although the shortfall in the Diamond Account was £302,000 compared with the previous year, our balance carried to Appropriation Account is only £200,000 less than last year's figure, owing to the difference in other items of revenue and expenditure. The profit of £2,771,000 carried to Appropriation Account has been dealt with as follows: Income Tax, £267,000; Investments for Stabiliment of the Diamond Trade, £441,000; Dividends, £1,990,000; Increased Suspense Profit Account, £31,000; and undistributed profits carried forward, £42,000.

During the year under review we will have to pay the Union Treasury in Normal and Dividend Taxes £267,500, which, together with £201,500 for Diamond Export Duty, makes a total of £469,000. Deduct from this figure £60,000 Dividend Tax due on Preference shares, and it leaves a balance of £409,000 contributed by Deferred Shareholders, or equal to about 8s. per share. For the 12 months the Company declared dividends amounting to

25s. per share, and it will therefore be seen that the Deferred Shareholders contributed in taxation 33 per cent. on the dividends declared during the year.

Legislatures, like other bodies and individuals, when seeking to impose additional taxation, or to make increased demands upon the mining industry, invariably base their claims on the profits made as disclosed in the annual published accounts, and strengthen their arguments by selecting the most prosperous year in which the maximum profit was made, ignoring entirely the lean years when no return was received by the Shareholders. This, you will agree, is most unreasonable and unfair. (Hear, hear.) They do not consider for one moment the great risks connected with mining, and the precarious position of an industry producing a commodity of pure luxury, subject to the world's conditions politically, commercially and financially. Instead of averaging the return to Shareholders over a period of years, they select the very best year, and on this they establish their contentions, which are consequently one-sided, as the following facts will emphasise: Since 1907, covering a period of eleven years, owing to the American financial crisis, and latterly the terrible war now happily ended, this Company paid dividends for seven years only, and for four years the ordinary shareholders received no return whatever on their holdings. I feel constrained, in fairness to our Shareholders, to mention these matters, as it would appear that they are purposely avoided by many occupying responsible public positions. (Hear, hear.)

During the year under review the diamond market was firm, and prices have advanced. The total number of carats produced by the three largest concerns—De Beers, Premier and Jagersfontein Companies—did not total in the aggregate the average annual quantity put on the market by these companies during the three years preceding the War, for the reason that the world was not prepared to purchase the quantity exported in normal times. I may say, it is a source of great satisfaction, if not surprise, that the market absorbed the large amount it did, considering the devastation of Belgium and Northern France, the condition of Russia and other States, and the demoralisation of the cutting and polishing industry in Antwerp, which was the seat of an enormous diamond trade, and which centre will, I feel confident, in the near future, resume its great industrial activities.

America, as usual, has been our best customer, and we are not only grateful to this great Republic for putting the finishing touches to the ghastly war, but for her continued large purchases of gems, the production of which provides employment for many thousands of human beings, and gives an impetus to an industry of great importance to the Union of South Africa. (Hear, hear.) The stability of the diamond market is attributable to one circumstance, and to one circumstance only, namely, the policy of regulating sales to the demand, and to this fact we owe the present gratifying condition and position of the industry and the confidence established throughout the whole trade. (Hear, hear.)

The Cape Explosives Works, as you are aware, are exclusively owned by De Beers, and they have continued in operation without intermission during the whole period of the War. Despite the great difficulty experienced in obtaining raw materials, the requirements of the gold and diamond mines of South Africa and Rhodesia, and of the mines in Australia, have been fully met, which reflects great credit on the management of the Explosives Factory. The bulk of the raw materials used in the manufacture of our explosives consists of nitre, sulphur, and glycerine. The price of the last-named commodity has risen from £60 to £120 per ton, sulphur from £6 to £15 per ton, and nitre from £11 to £22 per ton since the War began. But our present selling price of the manufactured explosives has

only risen about 15½ per cent. owing to our having laid in large stocks of these essential ingredients at low rates. This necessitated a large outlay of cash, but subsequent events have fully justified that step. It is a source of great satisfaction that we were able to supply our clients with explosives at such reasonable rates. Although the profits of the Factory were not increased, consumers have received the full benefit of our large purchases of raw materials before the big rise in prices took place. (Applause.)

When we purchased from Messrs. Gibson Bros. the local tramways on 1st July, 1914, we reduced the sixpenny fares to twopence, and the threepenny fares to one penny; and since that date we have extended the system to other parts of the town, greatly to the convenience of the inhabitants. I may tell you that the running of the trams has resulted in a loss to the Company, which the figures I will lay before you will illustrate. Of course, we could make the tramways a paying concern by doubling the present fares, which would then be only two-thirds of those paid before we took over the system from the former owners, but we have refrained from doing so in the interest of the residents of Kimberley and Kenilworth, among whom are numbered a large proportion of our employees and their families. Up to the 30th June, 1918, the capital expenditure on the tramways amounted to £165,278, exclusive of the proportionate share of our big power station. The profit on working for the twelve months, including employees' free tickets of twopence per journey (which is credited to income) amounted to £6,463—although we only debited running expenses with power generated by our plant at bed-rock cost, without taking into account the trams' proportionate share of interest and depreciation. If we calculate 5 per cent. interest on the capital outlay, which amounts to £8,264 per annum, and 7½ per cent. for depreciation, equal to £12,396, and deduct from these two items the £6,463 gross profit, there was a net loss of £14,197 on the twelve months' running.

At the request of the Kimberley Shop Assistants' Association, we reluctantly granted concessions to the female employees in receipt of low salaries. In actual money these concessions amount in the aggregate to only a small sum per month, but it strikes us as being unreasonable that De Beers should be made to bear a charge that should in all fairness be borne by the firms employing these young ladies. (Hear, hear.) They should take a leaf out of our book, and provide the necessary number of tram tickets for these employees. Our trams, as you know, also carry a large number of youngsters attending the schools, to whom, for the sum of three shillings, eighty tickets are issued, each to complete a single journey from any part of the town. With these it is possible to travel 800 miles for the small amount mentioned.

The running of the trams by De Beers Company is a distinct advantage and a direct saving to the community, for if, in addition to the capital now invested, the Municipality had taken the system over and erected its own electric power station, I doubt if it could have more than paid its way at double the present very low fares, or if the town would have enjoyed such an extended system as it now possesses. (Hear, hear.)

At last year's meeting the Chairman, the late Mr. Francis Oats, referred to the difference of opinion between the Consolidated Company, Bultfontein Mine, Ltd., and the Griqualand West Diamond Mining Company, Dutoitspan Mine, Ltd., and this Company, regarding the liability for Normal and Dividend Taxes imposed by Act 41 of 1917. To settle the question it was decided to appeal to the Law Courts in a friendly action, and last year you were informed that the Local Division of the Supreme Court of South Africa had given judgment in favour of De Beers Consolidated Mines, Ltd. Since then the case has been brought before the Appellate Court, which is the highest tribunal in the Union, and it has upheld the judgment given here by Sir John Lange, which means that the

Consolidated Company and the Griqualand West Company are liable for both taxes. At the time the decision was given by the Appellate Court, a sum of £2,455 12s. 8d. was due by the Consolidated Company, and £2,685 11s. was due by the Griqualand West Company, in respect of Normal and Dividend Taxes, and if De Beers had insisted upon it, these amounts could have been deducted from the next payments of interest to those Companies. De Beers however, agreed to make ex gratia payments of these amounts to the Consolidated Company and the Griqualand West Company. (Applause.)

The terrible war that raged in the greater part of Europe, Africa, and Asia for four and a quarter years has ended in a glorious victory for the Allies. (Applause.) Right and Justice have triumphed over ambition, frightfulness, and arrogance. The British Empire's sacrifices in blood and treasure are appalling. Of our employees alone up to the end of June last 77 were killed or died, and 147 were wounded, prisoners of war, and missing, making a total of 224 casualties. Our accounts and the General Manager's Report will show that we offered every possible encouragement to our workers to proceed on active service, and to their credit I can say that nearly all those physically fit and of military age, including a fair proportion of Dutch Africanders, took up arms in defence of the Empire. (Applause.) This spirit of patriotism was not confined exclusively to employees, as all Directors' sons, without exception, of military age and fit for service, went to the front, of whom five were killed, one died, and several were wounded. In common parlance, I can say that all ranks of the Company "did their bit." (Hear, hear.) My colleagues on the Board desire to join with me in expressing the deepest sympathy with the relatives of those gallant men who have made the great sacrifice.

The South African Marine, Fire and General Insurance Company, Limited, which was registered in August, 1917, and in which De Beers holds a 50 per cent. interest, has since its establishment insured diamonds in transit to the value of £7,962,315. I doubt if we could have secured insurance during this period for one-third of that amount through the medium of other existing companies, as underwriters were only prepared to accept very limited risks in one bottom owing to the menace from enemy submarines. It was not from choice, but through compulsion, that we had to co-operate with the Premier and Jagersfontein Companies and the Diamond Syndicate in the formation of this insurance company, otherwise mining operations must have been restricted as purchasers of the output were not willing to undertake the enormous marine risks. The Insurance Company was unquestionably a very necessary adjunct of the diamond industry, although technically a separate entity. Up to now the operations of this concern have been very satisfactory and profitable, but, as there were always big floating risks, which averaged £733,900 daily up to the end of June, 1918—and at one period the risks afloat reached £1,384,750—these were very anxious times. But all is well that ends well, though we cannot be certain of results until peace is finally declared. I may mention that when the Royal mail steamer "Kenilworth Castle" was nearly wrecked in June last our Insurance Company stood to lose over half-a-million sterling, having insured diamonds to this amount which were carried in that boat. We had a very narrow escape of losing more than the whole of the paid-up capital and accrued profits, and it would have been necessary to have called up a portion of the subscribed capital if the mails had been lost. As you may imagine, it was a great relief when we heard that the diamonds referred to were safely delivered in London. (Hear, hear.)

Gentlemen, you all know, only too sadly, how the Epidemic designated Spanish Influenza attacked Kimberley. During the month of October about two-thirds of the entire population—European, Native, and Coloured—became affected, and about 9 per cent. of

the inhabitants were carried off by the dread malady. The Native and Coloured sections of the community were more susceptible to the disease than the white people, though the toll among the latter reached 550, a tragic testimony to the havoc wrought by the devastating disease.

Kimberley Hospital, which has accommodation for 320 patients, could not cope with the number of stricken people for whom admission was sought, and emergency hospitals were organised, including the Hotel Belgrave, the property of this Company (with accommodation for 105 beds), the Beaconsfield Central Schools (with 50 beds), and the Teachers' Training College, which had 92 beds. All these annexes to the Central Hospital were quickly filled with patients, the majority of whom would no doubt have succumbed without the medical attention, skilled nursing, and nourishment they received at those institutions. During the first week of the Epidemic we were dependent upon the services of the resident Doctors, but, as several of these gentlemen were themselves attacked by the disease, the work of those who escaped, and were able to attend upon the sick, was enormously increased. This Company spared no effort and expense in combating the appalling visitation. Our staff and various organisations were placed at the disposal of the town and districts, and there is reason to believe that the help thus afforded saved many lives. (Hear, hear.) The services rendered by our General Manager, Mr. Alpheus Williams, ably assisted by many willing workers from the employees of the Company, are beyond praise. (Hear, hear.) Neither fatigue nor danger deterred them from carrying out their self-imposed duties, even though many had those near and dear to them lying stricken in their homes at the same time.

The number of deaths in our compounds was appalling. 22.40 per cent. of our native labourers succumbed as a result of the Epidemic, despite medical attention, nourishment, and every possible nursing and care. The ordinary Compounds staff could not adequately deal with the number of cases, and many of our white employees volunteered their services in doing the utmost to combat the scourge and nurse the natives who fell sick. I regret to say that a large number of these brave men contracted the influenza, and many of them died, but others immediately came forward to take their places, in fact, there was no lack of workers willing to face the risk of disease, and even death, in order that help and succour should be rendered to the mine natives. (Applause.)

Our mine compounds were considered excellent so far as their construction, sanitary provisions, and general organisation were concerned. A hospital with an adequate staff was provided at each, and the general health of the natives was most satisfactory; the death-rate for nine months ended 30th September, 1918, being 6.184 per thousand, while during the Epidemic, out of a total population of 11,445 in our Compounds, 2,564 died. The terrible time experienced during last October has given food for thought on the part of the Directors, General Manager, and Staff, and after due consideration we have decided to erect one large general hospital, maintaining only a dressing station at each Compound. Some of the existing Compounds will be improved, others demolished, and new ones erected. Water sewerage will be installed throughout, and no expense will be spared to make the Compounds, if possible, more comfortable and healthy for the natives than those occupied previous to the Epidemic. (Hear, hear.)

So far as the town was concerned, a large number of men, women, and even girls of tender age volunteered their services for the nursing of the sick. Others undertook relief work and visiting sufferers in their homes. They knew the risk connected with such work, but the dangers did not deter these noble souls from joining in the efforts made to succour the sick, and attend to the dying and the dead. Alas! a large number of these self-sacrificing volunteers paid for their devotion with their lives, still others came forward quickly and unhesitatingly to fill the gaps. The heroism displayed during the Epidemic by these workers will live in the memory of Kimberley for all time. Kimberley may indeed feel

proud that in periods of war and pestilence its daughters and sons have played a noble part. The names of its heroes and heroines will be indelibly inscribed on the Roll of Honour. (Applause.)

The reports and accounts submitted at this meeting only cover the twelve months ended 30th June last, but I cannot refrain from referring to events that have happened subsequently which materially affect the operations of the Company. Let me state at once that it is difficult to even estimate when we will be in a position to resume normal working. This, as you are aware, depends on our procuring sufficient native labour and replacing the 197 white employees who succumbed during the recent epidemic, and the additional losses of employees who fell while on active service.

On 25th September there were in our Compounds 11,445 natives (including convicts), but consequent upon the large number of deaths and the great exodus of boys who left for their kraals, only 3,283 natives were left in the Compounds on 6th November. We had stopped work entirely on 4th October, but on the 24th of that month we recommenced washing at Bultfontein, and at Wesselton four days later. This is all the mining work being carried on to-day. For the last ten weeks the mines have not been working, and it is doubtful if we will be in a position to haul blue or wash Dutoitspan ground until February next, when we expect the natives will return after the end of the ploughing season. The large reserve of blue on the floors will enable us to continue washing operations for another three months, and to have sufficient pulverised blue available to maintain a continuous output of diamonds if hauling work is resumed in February, as expected. As I have already mentioned, in spite of productive work having been so greatly diminished, we have not discharged any of our employees.

In every movement in this country for improving the conditions of the working classes and providing for their recreation and the welfare of their families, this Company has been the pioneer. As far back as 1892, following the advice of Mr. Gardner Williams, than whom the miners have never had a better friend—(hear, hear)—we inaugurated an eight-hour shift in our mines without decrease of pay. Five years ago we granted our employees 14 days' leave per annum on full pay, and we have now decided to extend the eight-hour shift to all surface hands. This system is therefore general throughout the Company's mining works. The compensation awarded by the Company has always been far in excess of the provisions of the Workmen's Compensation Act. In these and other matters of a similar character we have acted voluntarily, without pressure or intervention. (Applause.) Our men feel they can look with confidence to the Board and the General Manager for fair consideration and sympathetic treatment if they have any grievance or temporary difficulty. (Hear, hear.) The relations existing between the Company and its employees have been and are of the most cordial character. I think I can safely say there is a feeling of mutual confidence and reliance. This desirable state of affairs we are most anxious to perpetuate, and hope that nothing will be allowed to happen to disturb the existing good feeling which is so beneficial to all concerned. (Applause.)

The operations and finances of the Company were so seriously affected during the American financial crisis in 1907-8 that we were compelled to decrease mining work for a very considerable period. Our diamond sales were reduced to such an extent that the ordinary Shareholders received no dividends for nearly two years. From 1st January to 30th September, 1908, Saturday work ceased, so that for nine months we only did mining and washing on five days per week. At the same time the staff and a large number of other employees, owing to the special nature of their duties, put in full time, but through the

depression in the diamond industry, they voluntarily agreed to forgo one-sixth of their salaries or wages. When the Company had recovered its financial position three years later it paid out to all concerned, towards the end of 1911, the difference between the salaries and wages they received and full pay, which amounted in the aggregate to £24,000. Although mining work during this period was very restricted, it was to a great extent productive, and we considered it only fair to ultimately pay those who had worked full time their full salaries.

In the first two years of the War this Company had a very rough time indeed. We did little or no productive work, which will be apparent when I tell you that from 1st September, 1914, to the end of June, 1916, covering a period of 22 months, we hauled only 107,722 loads, contrasted with 14,956,869 for a like period from 1st September, 1912, to 30th June, 1914, the 22 months anterior to the War. During the former period we did everything possible to keep the old hands and married men employed. (Hear, hear.) Many agreed to remain on half and some on three-quarter pay, a small percentage of whom worked full time in running the power station,trams, pumping, guarding, etc.; but we could have considerably decreased our expenditure by retaining on full pay only those actually required for the duties I have just mentioned, and dispensing with the services of the large majority of men who were redundant. As, however, this policy would have resulted in hardships, and probably suffering, to a large number of families, we decided to provide some sort of employment to prevent the distress which would have inevitably followed if we had adopted the other course.

During the 22 months that reduced pay was in operation owing to war conditions, we did no remunerative mining work, as the figures I have just given you regarding hauling prove. We faced what we knew would be a serious loss to the Company in the interest of our employees at the expense of the Shareholders, who have never complained or expressed the slightest objection. (Hear, hear.) Following the precedent established in 1911, when, after an interval of three years, we made up the difference between full salaries and the amount received by those who worked full time at reduced pay, we should, now that the Company has recovered its financial position, and has declared dividends, make up to those who worked full time during the 22 months the difference between the pay they agreed to take and what they would have been entitled to in normal times, although during this, and a longer period, the Shareholders received no dividends. The Directors have also taken into consideration the cases of those employees who received reduced pay but did not work full time (these constituting the unskilled and lower-paid workers), and who must have undergone the same or perhaps greater hardships than those earning higher wages. The Board has given this matter earnest thought, and decided not to differentiate, but to act generously, and treat all alike by making up to those engaged in mining work for the 22 months ended 30th June, 1916, the difference between the amounts they received and full pay, regardless of the number of hours they worked. (Applause.) The sum required to meet these payments exceeds £160,000, and the distribution of this, we feel sure, will assist our employees and their families to spend a happy Christmas, make more bright their New Year, and strengthen the good feeling and cordial relations which have always existed between the Company and its employees. (Loud applause.)

Since the beginning of the War the difficulties encountered in running this big concern have enormously increased from year to year. The scarcity of mining supplies, etc., has sorely tried us at times; however, we struggled through owing to the foresight and ability of the General Manager and staff, and the loyal co-operation of Heads of Depart-

ments and their Assistants, and of our employees generally, to whom we have given practical and substantial proof of our appreciation. (Applause.)

I may state, gentlemen, that the dividend for the current six months will be declared before the close of the year.

Nothing further, I think, calls for remark, and I now have much pleasure in moving that the Directors' Report, the Balance Sheet and Profit and Loss Account for the year ended 30th June, 1918, be and are hereby adopted. (Loud applause.)

Mr. G. W. Compton seconded the motion, and said: Gentlemen, I do not intend to make a speech, but with your permission I should like to say a few words. You, I am sure, have all listened with great pleasure and interest to the Chairman's well-thought-out and informative speech—with which I may state, I am in full accord—in which he has so ably placed the position of the Company before you. I think as shareholders we have cause for congratulation that the Company is in such a sound position. I regret that the Company, as the Chairman has told you, has lost many of its old and trusted men as a result of the recent Epidemic, and I am sure we offer our sincere sympathy to their families. With these few words, I now beg to second the Chairman's motion for the adoption of the Directors' Report, Balance Sheet, and Profit and Loss Account for the past financial year. (Applause.)

The Chairman invited remarks from any of the Shareholders present, but none were forthcoming, and the motion was unanimously carried.

The Chairman: I have to report that, in terms of the Company's Articles of Association, Mr. S. B. Joel, Mr. L. Breitmeyer, and Mr. P. Ross Frames retire from office as Directors of the Company, but are eligible, and offer themselves, for re-election.

Mr. Colin W. Lawrence: I shall have very much pleasure in proposing that the gentlemen named be re-elected Directors of the Company, but, before doing so, I should like to ask a question. I am sure all the Shareholders have heard with great pleasure that it has been possible for the Company to restore the amount to the employees to make up the difference between the reduced pay received during the 22 months referred to and their full wages. If my memory serves me rightly, the Directors' fees were also reduced for that same period, and I would like to know if those fees are also to be paid. (Applause, and a Shareholder: "Certainly.")

Sir David Harris: I may say, in reply to Mr. Lawrence, that the Directors' fees are not included in the amount I mentioned in my remarks. We feel we could not do it on our own motion—off our own bat, as it were; and we have no intention of asking the Shareholders to vote the difference between the reduced fees received and the amount we would have been entitled to in normal times. We have more regard for our employees than ourselves.

Mr. Colin Lawrence: I should like to suggest that, in order to make the Christmas of the Directors a happy one as well—(laughter)—that they should also be voted the reduction in their fees made during that time. I move that Mr. Solomon Barnato Joel, Mr. Ludwig Breitmeyer, and Mr. Percival Ross Frames be re-elected Directors of the Company; and I should like to add that the Directors also receive the amount making up their full fees.

The Chairman: I am afraid I cannot accept that as one motion. It would be out of order to unite those two resolutions. We must first deal with the election of Directors.

Mr. Lawrence: I would put the election first then.

Mr. Newberry seconded, and the motion was carried unanimously.

Mr. Colin Lawrence: I should now like to move my second proposition, and I do so with great pleasure, because we all know the excellent work of the Directors in administering the affairs of the Company, and the tremendous amount of time they devote to their duties. I think, therefore, that the reduced fees should be made up in the same way as the salaries of the employees.

Mr. Arend Brink seconded, and said: I am here this morning in my capacity as a Shareholder, and I also have the honour to represent a number of Shareholders not present. I feel sure that during the period of the War the Directors carried out their duties in the usual manner; indeed, they devoted more time to the business of the Company than they do in normal times, because we passed through a very critical period. I have very much pleasure indeed in seconding the resolution moved by Mr. Lawrence. (Hear, hear.)

Sir David Harris: Before putting the proposition to the meeting I should like to make a few remarks. Of course, the Directors appreciate very much your kindness in including us with the staff and the employees of the Company as far as making up to us the difference between the fees we received and what we would be entitled to in normal times. I need hardly tell you, considering the high cost of living, the amount would come in very useful to most of the Directors—(laughter)—but we have discussed this matter amongst ourselves, and we feel that although we are entitled to something yet, considering the uncertainty of resuming work, and the difference it might make to the Company, we would prefer that this matter should remain over to some future meeting. If next year—and please goodness we are all here, and normal working of the mines is resumed—you should feel in the same good temper as you are in to-day—(laughter)—the money would be much more acceptable then, because a sovereign in those days will have greater purchasing power than it has to-day. (Laughter.) We should then accept your kind offer with much less compunction than now. To-day we will take the will for the deed. As I have said, we have discussed the matter among ourselves, and if you will allow it to stand over we shall be very thankful.

Mr. Siew: I do not see why the meeting should not pass the resolution proposed by Mr. Lawrence, and then, if the Directors like to let the matter stand over for a future time, that is their business. The meeting should do its duty and pass the proposition; then the matter can be left to the Directors.

Sir David Harris: I am, of course bound to put to the meeting any resolution you submit, but you now know our feeling on this matter.

Mr. Colin Lawrence: I would suggest putting the motion. If the Chairman feels too modest to do that, I will do it myself. (Laughter.) Let us put the resolution to the meeting and carry it, and leave it to the Directors' discretion to act upon it either now or when the mines resume working.

Mr. Hirschhorn: Will you allow me just to say that I think the Shareholders will please the Directors very much more if they leave this matter over until next year, as the Chairman has suggested.

Mr. Colin Lawrence: I am satisfied, if that is your wish, and we will leave it over.

Sir David Harris: We thank you very much, all the same, but feel it would be better to defer the matter.

Mr. I. R. Grimmer rose at this point, and said: Mr. Chairman and Gentlemen,—Unfortunately very few of the Company's employees are shareholders of the Company, and therefore only a small number of them are present at this meeting, and for that reason I am taking it upon myself to say, on their behalf, a word of thanks to the Directors for making up full pay to those of us considered entitled thereto, and also to thank the Shareholders for the manner in which they have received the Chairman's announcement. We are all—staff and daily-paid men—grateful to the Board and Shareholders for making this generous concession. I think we may fairly look upon it as a concession, seeing that when the War broke out the outlook for the Company was particularly black, and the cold-blooded course would have been to discharge every redundant man, retaining only those absolutely necessary. But the Directors of this Company have never been cold-blooded; and they offered to grant half-pay to those of us who cared to accept it rather than look for work elsewhere. Needless to say, we were glad to accept the offer, but now the Board and Shareholders are going to pay us the difference between what we actually received and our full pay; and, Mr. Chairman and gentlemen, speaking for myself and all the other employees of the Company, I beg to thank you. (Applause.) The pleasure of returning thanks has devolved upon me, as our General Manager is not with us to-day, but is at the coast by the imperative orders of his doctor to enable him to recover from the labours and anxieties of those terrible weeks of sickness through which we have just passed. (Applause.)

Mr. T. R. English moved: "That Messrs. Howard Pim & Hardy and Messrs. Salisbury & Beaton be appointed Auditors for the ensuing year, and that the remuneration to be paid them be fixed by the Directors."

Mr. B. Horkheimer seconded, and the motion was unanimously carried.

This ended the business of the Ordinary Meeting.

EXTRAORDINARY GENERAL MEETING.

An Extraordinary General Meeting of Shareholders was held immediately after the Annual Meeting, at which Colonel Sir David Harris presided, and there were present the same Shareholders as at the previous meeting.

The Secretary read the notice convening the Extraordinary General Meeting.

The Chairman said: The amendments in the Company's Trust Deed just read will, if adopted, have the effect of reducing the number of Directors from 16 to 12, besides decreasing the expenditure under this head. On the formation of De Beers Consolidated Mines, Ltd., over 30 years back, which resulted in amalgamating the various concerns that

then existed in the Kimberley and De Beers Mines, it was only natural that the different companies owning valuable claims in these mines should have stipulated a right to nominate representatives on the Board of the Consolidated Company; hence the large number of Directors provided for in the original Trust Deed. As the years rolled on the members of the Board became more closely associated and identified with this Company, and all idea of the necessity for protecting their respective interests disappeared. Originally the Board consisted of four Life Governors and 16 Directors, of whom only three are alive to-day, namely, Sir Carl Meyer, Messrs. F. Baring-Gould and G. W. Compton. We have now 12 Directors constituting the Board, and this number we consider sufficient to carry on the business of the Company. We therefore appeal to you to adopt the amendments which we confidently recommend to the meeting.

Mr. Arend Brink then moved: "That the Articles of Association of the Company be altered in the manner following: In Article 84 (a) the word 'twelve' shall be substituted for the word 'sixteen.'" Mr. Brink explained that the Article would then read: "Until otherwise determined by a General Meeting the number of Directors shall not be more than twelve."

Mr. Ernest Oppenheimer formally seconded, and the motion was carried unanimously.

Sir David Harris said that this closed the business of the meeting, and the proceedings concluded with a vote of thanks to the Chairman, which was moved by Mr. Colin W. Lawrence, and was cordially carried.

De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Thirty-First Annual Report

For the year ending 30th June, 1919.

Directors:

SIR CARL MEYER, BART., **Deputy Chairman.**

F. BARING-GOULD.
L. BREITMEYER.
G. W. COMPTON.
P. ROSS FRAMES, C.M.G.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D., M.L.A.
F. HIRSCHHORN.
S. B. JOEL.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Managers:
I. R. GRIMMER,
J. HARBOTTLE,
H. T. DICKINSON.

Mechanical Engineer:
J. LIDDELL.

Electrical Engineer:
R. W. SMITH.

Secretary:
E. F. RAYNHAM, D.S.O.

Assistant Secretary:
T. J. FORD, M.C., V.D.

Chief Accountant:
J. A. NEVILLE.

Assistant Accountant:
W. M. MILLER.

Diamond Valuator and Broker:
A. BRINK.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4.

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:
HAARHOFF, HERTOG AND LANGE, KIMBERLEY.
COWARD AND HAWKSLEY, SONS AND CHANCE, LONDON.

Auditors:
HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY AND BEATON, KIMBERLEY.

Bankers:
THE STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED, LONDON.

D.F.A., LTD., PRINTERS, KIMBERLEY

De Beers Consolidated Mines, Limited.

THIRTY-FIRST ANNUAL REPORT,

For the Year ending 30th June, 1919.

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1.—DIRECTORS' REPORT

2.—BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

3.—STATISTICS.

4.—GENERAL MANAGER'S REPORT.

5.—PROCEEDINGS OF GENERAL MEETING

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1919,

To be submitted to Shareholders at the Thirty-first Ordinary General Meeting to be held on the 5th December, 1919.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their 31st Annual Report, Balance Sheet at 30th June, 1919, Profit and Loss Account for the year ended 30th June, 1919, and Appropriation Account, 30th June, 1919.

The balance undistributed at 30th June, 1918, was represented by—		
Suspense Profit Account—Diamonds unsold at that date...	£746,654 12 3	
Balance unappropriated	41,677 11 5	
		£788,332 3 8
During the year the diamonds sold, less decrease in stocks taken at cost, amounted to		£5,849,552 10 4
Add to this the following:—		
Interest and Dividends on Investments	£332,562 10 1	
Net Revenue from rents	10,164 8 4	
Revenue from other sources	65,478 3 6	
		408,205 1 11
		£7,046,089 15 11
Deduct Expenditure as follows:—		
Productive Mining Expenditure	£1,094,694 5 0	
Maintenance of Mines and Floors temporarily closed down	89,992 19 8	
Expenditure on Farms, Charges, etc.	257,881 18 4	
Interest on Debentures and on Capital of Leased Companies	166,309 18 2	
Sinking Fund towards repayment of Debentures ...	78,168 14 8	
Influenza Epidemic expenses	198,800 8 10	
Concession Pay:—		
Restoration of full pay to Employees in respect of period during which they agreed to work for less	165,642 2 0	
Expenditure consequent on the War:—		
Salaries and Wages of Employees on Active Service, War Bonus to all Employees, War Gratuity of £150,000 to Soldier Employees, Donation to War Funds, etc.	284,391 8 10	
		2,335,881 15 6
Leaving a balance of		£4,710,208 0 5
Which has been dealt with as follows:—		
Union of South Africa Income Tax—Amount set aside...	£382,379 18 0	
Amount appropriated for Stabiliment Reserve	398,798 11 10	
Amount carried to General Fund	300,000 0 0	
Dividends:—		
Preference Shareholders after deduction of Dividend Tax £740,000 0 0		
Deferred Shareholders 2,000,000 0 0		
	2,740,000 0 0	
		£3,821,178 9 10
Balance undistributed carried to next year:—		
Suspense Profit Account—Diamonds unsold 30th June, 1919	£422,761 19 3	
Balance unappropriated	466,267 11 4	
		£889,029 10 7

The stock of blue ground and lumps on the floors at 30th June, 1919, was as follows:—

De Beers Mine	48,396 loads
Wesselton Mine	2,390,735 ,,
Bultfontein Mine	2,890,663 ,,
Dutoitspan Mine	3,124,382 ,,
	8,454,176 ,,

The General Reserve Fund now stands at £2,147,135 18s. 0d. The Fund to redeem the De Beers 4½% Exploration Debentures has been increased to £579,028 0s. 9d., both Funds being represented by securities which have been taken into the Accounts at market prices on 30th June, 1919.

The Special Reserve Fund for the Stabiliment of the Diamond Trade has been increased from £1,576,526 16s. 6d. to £1,975,325 8s. 4d.

This fund is invested in the shares of other Diamond Mining Companies and Kindred Interests, and is included in the £2,825,323 8s. 4d. shown on the Assets side of the Balance Sheet.

The Company has paid during the year to Preference Shareholders the usual dividend of 20/- per share, and to Deferred Shareholders 40/- per share.

The Diamond market is in a very sound and strong condition, and prices have advanced materially, primarily owing to the limitation of sales to market requirements, a policy which your Directors have consistently pursued, and of which the Company and all other producers reap the benefit.

The Cape Explosives Works, Ltd., which is owned and controlled by your Company, has carried on its operations successfully during the year. The sales of explosives amounted to 370,262 cases.

A report by the General Manager on the operations of the Company during the year will be submitted at the Meeting.

In terms of clause 84, sub-section (c), of the Company's Articles of Association, three Directors retire, namely:—

Sir Carl Meyer, Bart.,

Achille Viallate,

Henry Percy Rudd,

but being eligible they offer themselves for re-election.

G. W. COMPTON,
P. ROSS FRAMES,
D. HARRIS,
F. HIRSCHHORN,
W. PICKERING,
R. PHILIPSON-STOW,
} Directors.

Kimberley,

30th September, 1919.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :				
800,000 Preference Shares @ £2 10s. 0d. each			2,000,000 0 0	
1,000,000 Deferred Shares @ £2 10s. 0d. each			2,500,000 0 0	
				4,500,000 0 0
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930				1,635,495 0 0
RESERVES (per Contra) :				
General Fund	2,147,135 18 0			
Redemption Fund : South African Exploration Debentures	579,028 0 9			
		2,726,163 18 9		
Blue Ground Stocks, 30th June, 1919, at cost ...		1,289,264 4 7		
Reserve for Stabiliment of the Diamond Trade ...		1,975,325 8 4		
			5,990,753 11 8	
LIABILITY ON STOCKS AND SHARES (per Contra)			850,000 0 0	
				6,840,753 11 8
CURRENT LIABILITIES :				
Loans and Open Accounts			713,461 16 1	
Unclaimed Dividends and Sundries			282,067 9 7	
Interest on Debentures accrued to date			34,958 14 1	
Commissioner for Inland Revenue, Union of South Africa : Estimated balance due in respect of Normal and Dividend Taxes for year ended 30th June, 1919			316,000 0 0	
Preference Shareholders : Dividend declared 28th June, 1919			370,000 0 0	
Deferred Shareholders : Dividend declared 28th June, 1919			1,500,000 0 0	
				3,216,487 19 9
SUSPENSE PROFIT ACCOUNT :				
Diamonds unsold at date (per contra)				422,761 19 3
BALANCE TRANSFERRED FROM APPROPRIATION ACCOUNT ...				466,267 11 4
CONTINGENT LIABILITY :				
£3 15/- per share uncalled on 79,000 shares in the South African Marine, Fire and General Insurance Company, Limited £296,250				
				£17,081,766 2 0

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 26th September, 1919.

MINES, LIMITED.

30TH JUNE, 1919.

PROPERTY :							
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,164,406	9	9				
Estates purchased from the London and South African Exploration Company, Limited	1,635,495	0	0				
Farms and other Landed Property	154,181	5	6				
Machinery, Permanent Works, Offices, Compounds and Stand Property	1	0	0				
				4,954,083	15	3	
INVESTMENTS IN STOCKS AND SHARES				665,871	8	3	
RESERVE INVESTMENTS AND INVESTMENTS FOR STABILIMENT OF THE DIAMOND TRADE (per contra) :							
Investments representing General and Debenture Redemption Funds per contra at Market Prices 30th June, 1919 ...	2,726,163	18	9				
Blue Ground on Floors :							
8,454,176 loads at cost deposited on Floors	1,289,264	4	7				
Investments in other Diamond Mining Companies and Kindred Interests (see Liability £850,000 per contra)	2,825,325	8	4				
				6,840,753	11	8	
TIMBER, FUEL, AND OTHER MINING STORES				522,048	0	7	
LIVE STOCK				226,510	11	11	
ADVANCES TO SUBSIDIARY COMPANIES				258,941	2	3	
DEBTORS, SPECIAL INVESTMENTS, BILLS, AND CASH :							
Open Accounts	289,866	2	7				
Short Loans against Security	94,000	0	0				
Special Investments at Market Prices 30th June, 1919 ...	2,268,683	15	2				
Bills Receivable	386,944	13	9				
Cash at Bankers and in hand—Kimberley and London ...	151,301	1	4				
				3,190,795	12	10	
DIAMONDS on hand at cost				422,761	19	3	
				£17,081,766	2	0	

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto including the

HOWARD PIM & HARDY,
SALISBURY & BEATON, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT, FOR THE

To Productive Mining Expenditure :				
Wesselton Mine .				
Cost of Hauling Blue Ground washed	315,372 0 5			
Washing Expenses	138,511 19 8			
		453,884 0 1		
Bultfontein Mine :				
Cost of hauling Blue Ground washed...	220,684 9 4			
Washing Expenses	183,842 9 2			
		404,526 18 6		
Dutoitspan Mine :				
Cost of hauling Blue Ground washed...	143,535 2 5			
Washing Expenses	92,748 4 0			
		236,283 6 5		
			1,094,694	5 0
,, Non-Productive Expenditure :				
Maintenance of Mines and Floors temporarily closed down ...			89,992	19 8
,, Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway			77,820	10 5
,, Charges :				
Salaries, &c., Head Office		26,032 19 7		
General Charges		36,567 18 3		
Legal Expenses		794 4 0		
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894		53,057 12 10		
Compensation		5,512 19 10		
Auditors' Fees		1,400 0 0		
London Transfer Office—Net Expenses		9,014 10 3		
Directors' Fees		23,047 2 6		
Annual Leave to Employees		24,634 0 8		
			180,061	7 11
,, Interest on Capital of Leased Companies			96,392	10 0
,, Interest on Debentures		73,597 5 6		
Less Union of South Africa Normal Tax, 1/- in £ ...		3,679 17 4		
			69,917	8 2
,, Sinking Fund for Repayment of Debentures			78,168	14 8
,, Influenza Epidemic Expenses			198,800	8 10
,, Concession Pay :				
Restoration of full pay to Employees in respect of period during which they agreed to work for less than full pay ...			165,642	2 0
Carried forward			£2,051,490	6 8

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1919. Cr.

By Diamond Account	£5,849,552	10	4
„ Interest and Dividends on Investments after adjusting Reserve and Special Investments to Market Prices at 30th June, 1919	332,562	10	1
„ Net Revenue from Rents	10,164	8	4
„ Sundry Receipts	10,280	2	11
„ Transfer Fees	1,105	3	6
„ Profits realized on Investments	54,092	17	1



Carried Forward	£6,257,757	12	3

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

Brought Forward				2,051,490 6 8
To Expenditure Consequent on the War:				
Salaries and Wages of Employees on Active Service, War Bonus to all Employees, Donations to War Funds, etc. ...	134,391 8 10			
Gratuity to Soldier Employees:				
Amount voted to Employees who were on Active Service while on the Company's books, in addition to the half pay already granted to them	150,000 0 0			
				284,391 8 10
,, Balance carried to Appropriation Account				3,921,875 16 9
				£6,257,757 12 3

APPROPRIATION

To Income Tax: Union of South Africa, Estimated Normal and Dividend Taxes				382,379 18 0
,, Reserve for Stabiliment of the Diamond Trade:				
Shares in other Diamond Mining Companies and Kindred Interests purchased during the year ended 30th June, 1919	198,798 11 10			
Amount paid off liability in respect of shares purchased prior to 30th June, 1917	200,000 0 0			
				398,798 11 10
,, Reserves—General Fund				300,000 0 0
,, Preference Dividend Account:				
10/- per share on 800,000 shares payable to Preference Shareholders registered at 31st December, 1918, in respect of six months ended 31st December, 1918 ...	400,000 0 0			
Less Union of South Africa Dividend Tax ...	30,000 0 0			
		370,000 0 0		
10/- per share on 800,000 shares payable to Preference Shareholders registered at 30th June, 1919, in respect of six months ended 30th June, 1919	400,000 0 0			
Less Union of South Africa Dividend Tax ...	30,000 0 0			
		370,000 0 0		
				740,000 0 0
,, Deferred Dividend Account:				
10/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 31st December, 1918		500,000 0 0		
30/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 30th June, 1919		1,500,000 0 0		
				2,000,000 0 0
,, Suspense Profit Account:				
Diamonds unsold at cost, at date ...				422,761 19 3
,, Balance, carried to Balance Sheet			...	466,267 11 4
				£4,710,208 0 5

Kimberley, 26th September, 1919

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1919.—*Continued.* Cr.

Brought Forward			6,257,757 12 3
			£6,257,757 12 3

ACCOUNT.

By BALANCE transferred from Profit and Loss Account ...			3,921,875 16 9
„ BALANCE unappropriated 30th June, 1918			41,677 11 5
„ SUSPENSE PROFIT:			
Diamonds unsold, 30th June, 1918, now written back ...			746,654 12 3
			£4,710,208 0 5

E. F. RAYNHAM, *Secretary.*

JNO. A. NEVILLE, *Chief Accountant*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

" " 2—DE BEERS MINE.

" " 3—WESSELTON MINE.

" " 4—BULTFONTEIN MINE.

" " 5—DUTOITSPAN MINE.

" " 6—TAILINGS.

" " 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s d.	
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	901,818 0 5	1·283	19 8·75	25 3·75	9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525.386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2 435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525½	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

* These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8/5·29	693,482¾	38	47/9·24	18/1·83	1,033 060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0.67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1914	Nil.	75,815	6/7.34	27,346½	36	80/10.21	29/1.28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	—	—	—	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	—	—	—	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	—	—	—	48,396
June 30th, 1918	Nil.	Nil.	Nil.	206	—	—	—	48,396
30th June, 1919	Nil.	Nil.	Nil.	94¼	—	—	—	48,396

KIMBERLEY MINE.

June 30th, 1917	*76 cts.	* Includes 9½ carats debris.
June 30th, 1918	109¾ cts.	
June 30th, 1919	147½ cts.	

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	·27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	·30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1 393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1,067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10·02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334		227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386
June 30th, 1918	2,065,620	1,805,436	4/10·94	487,828¼	27	54/9·76	14/9·59	3,012,570
June 30th, 1919	1,035,311	1,657,146	6/7·19	403,039¾	24	69/11·79	16/9·55	2,390,735

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19 2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4 4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11 9	3,138,321
June 30th, 1916	60,997	864,052		342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3 9·856	675,401¾	38	46/11	17 9·94	2,665,777
June 30th, 1918	2,328,615	1,859,531	3/11·61	646,927½	35	49/9·62	17/5·16	3,134,861
30th June, 1919	1,262,942	1,629,198	5/6·39	507,858¾	31	63/5·38	19/8·03	2,768,605

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.
*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904 Development.	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10.28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15/8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19/1·11	4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7·87	4,358,185
*June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6·25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597		20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	†377,571¼	19	106/11·93	20/3·94	2,411,618
June 30th, 1918	2,200,843	2,178,132	3/8·8	422,657¾	19	108/6·22	20/7·42	2,434,329
June 30th, 1919	1,389,883	1,066,465	4/9·39	180,983	17	139/9·77	23/9·22	2,757,747

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended 8th August, 1914, owing to the war.

†Includes 9 cts. debris.

TABLE No. 6.
TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced. £ s. d.
June 30th, 1901	265,239	50,147½	58,484 12 6
June 30th, 1902	1,151,816	202,830	251,870 12 3
June 30th, 1903	1,347,115	227,477	281,433 18 0
June 30th, 1904	1,881,090	399,065½	442,771 13 5
June 30th, 1905	1,616,030	257,059¾	311,030 7 2
June 30th, 1906	2,200,964	306,190¾	428,177 0 0
June 30th, 1907	4,370,221	557,897¼	800,273 5 0
June 30th, 1908	2,986,778	385,857	*a* 439,876 8 5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3,956	411
June 30th, 1916	—	—
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.
KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—

*Productive operations suspended, 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT.

To the Chairman and Directors of

DE BEERS CONSOLIDATED MINES, LIMITED.

GENTLEMEN,

I beg to submit for your consideration my Report on the mining operations of the Company for the year ended 30th June, 1919.

DE BEERS MINE.

The mining of blue ground in this mine was suspended on the 31st July, 1908, and has not yet been resumed.

Development Work.—No development work was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 2,843 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

Output of Blue Ground.—No hoisting was done during the year.

Output of Reef and Blue Mixed.—No reef and blue mixed was hoisted during the year.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 3,520 foot level is estimated to be 2,000,000 loads.

Water.—The average quantity of water pumped from the mine was 6,280 gallons per hour.

Development Work.—No development work was done during the year.

The depth of the Main Rock Shaft is 3,601 feet.

The depth of the Atkins Shaft is 1,009 feet.

The average depth of the Open Mine is 1,200 feet from the surface, and 897 feet from the top of the hard rock. The deepest point is 1,300 feet from the surface.

KIMBERLEY FLOORS.

No blue ground was washed during the year.

No reef and blue mixed was washed during the year, and the stock remains at 571,176 loads.

WESSELTON MINE.

Output of Blue Ground.—The output of blue ground was 1,035,311 loads, as follows:—

620 foot level	48,841 loads.
660 ,, ,, ...	98,969 ,,
700 ,, ,, ...	109,033 ,,
740 ,, ,, ...	202,283 ,,
780 ,, ,, ...	221,745 ,,
820 ,, ,, ...	238,547 ,,
860 ,, ,, ...	99,969 ,,
900 ,, ,, ...	5,571 ,,
940 ,, ,, ...	406 ,,
980 ,, ,, ...	4,152 ,,
1,050 ,, ,, ...	1,346 ,,
1,250 ,, ,, ...	942 ,,
1,400 ,, ,, ...	127 ,,
1,500 ,, ,, ...	100 ,,
1,600 ,, ,, ...	3,280 ,,
Total	1,035,311 loads.

43,467 loads of reef or waste ground were also hoisted.

Hoisting was done from the 980 foot level.

The cost of mining and depositing was 4s. 11.13d. per load, as against 3s. 7.15d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 10,000,000 loads. It is estimated that between the 980 foot level and the 1,550 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 38,970 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	3,749 feet.
Tunnels driven in blue ground	16,610 ,,
Passes sunk in rock	301 ,,
Passes sunk in blue ground	632 ,,
Prospect Shaft sunk	78 ,,
Excavations—Rock	54,203 cubic feet.

The depth of No. 1 Main Rock Shaft is 1,119 feet.

The depth of No. 2 Main Rock Shaft is 1,667 feet.

Several mud rushes have occurred at this mine during the year, but fortunately no lives were lost. The damage done to the mine workings was very slight.

WESSELTON FLOORS.

The stock of blue ground at the end of last year was 3,012,570 loads; 1,035,311 loads were deposited, and 1,657,146 loads were washed, leaving a balance of 2,390,735 loads.

The cost of washing was 1s. 8.06d. per load, as against 1s. 3.79d. for the previous year.

The average cost of mining and washing was 6s. 7.19d. per load, as against 4s. 10.94d. for the previous year.

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 1,262,942 loads, as follows:—

720	foot level	4,266 loads.
760	,, ,,	190,022 ,,
800	,, ,,	195,815 ,,
840	,, ,,	195,335 ,,
880	,, ,,	277,773 ,,
920	,, ,,	307,660 ,,
960	,, ,,	72,435 ,,
1,050	,, ,,	723 ,,
1,100	,, ,,	1,851 ,,
1,150	,, ,,	1,015 ,,
1,200	,, ,,	1,803 ,,
1,250	,, ,,	1,977 ,,
1,350	,, ,,	3,126 ,,
1,450	,, ,,	2,581 ,,
1,550	,, ,,	2,790 ,,
1,600	,, ,,	3,770 ,,
Total		1,262,942 loads.

32,323 loads of reef or waste ground were also hoisted.

Hoisting was done from the 1,000 foot level.

The cost of mining and depositing was 3s. 3.31d. per load, as against 2s. 6.69d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 6,000,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 20,872 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	3,300 feet.
Tunnels driven in blue ground	13,290 ,,
Passes sunk in rock	944 ,,
Passes sunk in blue ground	400 ,,
Water shafts sunk	72 ,,
Excavations—Rock	19,452 cubic feet.
,, ,,	311 lineal feet.

At the 72 foot level water tunnels to the extent of 1,689 feet have been driven during the year.

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

Mechanical Haulage.—Steps are being taken to provide a new track for the mechanical haulage from Bultfontein Mine. This is necessary owing to the caving of the Dutoitspan Mine in the near neighbourhood of the Bultfontein haulage.

BULTFONTEIN FLOORS.

The stock of blue ground at the end of last year was 3,134,861 loads; 1,262,942 loads were deposited, and 1,629,198 loads were washed—of which 36,111 loads were returned to stock as lumps—leaving a balance of 2,768,605 loads.

The stock of cylinder lumps at the end of last year was 85,947 loads; 36,111 loads were deposited, leaving a balance of 122,058 loads.

The cost of washing was 2s. 3.08d. per load, as against 1s. 4.92d. for the previous year.

The average cost of mining and washing was 5s. 6.39d. per load, as against 3s. 11.61d. for the previous year.

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 1,389,883 loads, as follows:—

430	foot level	593 loads
470	,, ,,	55,397 ,,
510	,, ,,	173,410 ,,
550	,, ,,	515,494 ,,
590	,, ,,	358,778 ,,
630	,, ,,	284,256 ,,
670	,, ,,	1,955 ,,
	Total	1,389,883 loads.

14,311 loads of reef or waste ground were also hoisted.

Hoisting was done from the 750 foot level.

The cost of mining and depositing was 3s. 0.52d. per load, as against 2s. 3.84d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 11,500,000 loads. It is estimated that between the 750 foot level and the 1,300 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 5,423 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock	755 feet.
Tunnels driven in blue ground	9,573 ,,
Passes sunk in rock	35 ,,
Passes sunk in blue ground	240 ,,

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

The stock of blue ground at the end of last year was 2,434,329 loads; 1,389,883 loads were deposited, and 1,066,465 loads were washed—of which 5,471 loads were returned to stock as lumps—leaving a balance of 2,757,747 loads.

The stock of cylinder lumps at the end of last year was 361,164 loads; 5,471 loads were deposited, leaving a balance of 366,635 loads.

The cost of washing was 1s. 8.87d. per load, as against 1s. 4.97d. for the previous year.

The average cost of mining and washing was 4s. 9.39d. per load, as against 3s. 8.81d. for the previous year.

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Year ended 30th June, 1919.	Year ended 30th June, 1918.
De Beers Mine	—	—
Kimberley Mine...	—	—
Wesselton Mine	1,035,311	2,065,620
Bultfontein Mine	1,262,942	2,328,615
Dutoitspan Mine	1,389,883	2,200,843
Total	3,688,136	6,595,078

LOADS BLUE GROUND WASHED.

	Year ended 30th June, 1919.	Year ended 30th June, 1918.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	1,657,146	1,805,436
Bultfontein Mine	1,629,198	1,859,531
Dutoitspan Mine...	1,066,465	2,178,132
Total	4,352,809	5,843,099

STOCKS —LOADS.

	BLUE.		LUMPS.		TOTAL.	
	30th June, 1919.	30th June, 1918.	30th June, 1919.	30th June, 1918.	30th June, 1919.	30th June, 1918.
De Beers Mine	48,396	48,396	—	—	48,396	48,396
Kimberley Mine ...	—	—	—	—	—	—
Wesselton Mine... ...	2,390,735	3,012,570	—	—	2,390,735	3,012,570
Bultfontein Mine ...	2,768,605	3,134,861	122,058	85,947	2,890,663	3,220,808
Dutoitspan Mine ...	2,757,747	2,434,329	366,635	361,164	3,124,382	2,795,493
Total	7,965,483	8,630,156	488,693	447,111	8,454,176	9,077,267

REEF AND BLUE MIXED.

	30th June, 1919.	30th June, 1918.
Kimberley Mine	571,176	571,176

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Year ended 30th June, 1919.	Year ended 30th June, 1918.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	.24 ct.	.27 ct.
Bultfontein Mine	.31 ct.	.35 ct.
Dutoitspan Mine	.17 ct.	.19 ct.

GENERAL REMARKS.

Costs.—The working costs for the year are considerably higher than those for the previous year, because of the great reduction both in the number of loads hoisted and the number washed. This year we hoisted only 3,688,136 loads, and washed only 4,352,809 loads, while for the previous year the respective figures were 6,595,078 and 5,843,099.

The reduction in the operations is the result of the Influenza Epidemic, for work was entirely suspended on 4th October, 1918, and all efforts were directed to the combating of the scourge, and after it had abated practically all our natives returned to their homes, and it was not till March that working operations were again normal.

Tramways.—The Tramway System has been well patronized by the general public. In addition to the Company's employees, who travel free of charge, and school children and shop assistants, who are conveyed at reduced fares, 3,668,538 passengers were carried during the year, as against 3,071,684 for the previous year.

Extensions of the tramway to Wesselton and Dutoitspan Mines—a distance of six miles in all—have been completed during the year, and regular services by way of the new lines were commenced in September, 1918, and extensions to other parts of the works are under construction.

The new services are a great boon to the employees, nearly all of whom are now conveyed by trams, free of charge, to and from work—thus ensuring greater comfort and convenience to them.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 1,051,532 units, as against 970,904 for the previous year.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 15.87 inches, as compared with 13.77 inches for the previous year.

The rainfall for the last seven years was as follows:—

Year ended	30th	June,	1913	...	14.49	inches
,,	,,	,,	1914	...	16.82	,,
,,	,,	,,	1915	...	17.10	,,
,,	,,	,,	1916	...	11.56	,,
,,	,,	,,	1917	...	12.23	,,
,,	,,	,,	1918	...	13.77	,,
,,	,,	,,	1919	...	15.87	,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1919, was approximately 34,080,000 gallons, as compared with approximately 108,313,000 gallons on the 30th June, 1918.

Kenilworth Dam.—On Thursday, 19th September, a slip took place in the Kenilworth Dam wall. To prevent the embankment giving way altogether—in which case serious damage to property would have resulted—the water was run off as quickly as possible.

Armistice Celebrations.—Tuesday, 12th November, was observed as a general holiday throughout the Company's works.

Deaths.—I regret to have to report the death of Lieut.-Col. R. G. Scott, V.C., D.S.O., and of Mr. Robert Close—two old and esteemed servants of the Company.

Lieut.-Col. R. G. Scott, V.C., D.S.O., Superintendent of Compounds, died at Wynberg on the 3rd October, 1918. Col. Scott started in De Beers Company on the 17th January, 1887, as Superintendent of the Convict Station, and on the 10th February, 1903, was appointed Superintendent of Compounds, which position he held up to the time of his death.

Mr. Robert Close, Manager of Kimberley Mine, died on the 10th May, 1919, after but a few days' illness. Mr. Close started in Kimberley Mine in August, 1887, and had experience in all classes of mining at each of our five mines. He was appointed Acting Manager of Kimberley Mine on the 17th January, 1910, and Manager on the 1st January, 1911.

Appointment.—Mr. F. C. Carveth was appointed Superintendent of Native Hospitals and Inspector of Compounds as from the 1st December, 1918.

Employees.—The number of white employees at 30th June, 1919, was 2,537 men and 281 lads, as compared with 2,118 men and 199 lads at 30th June, 1918. These figures do not include the men on active service, viz., 123 white employees at 30th June, 1919, and 370 at 30th June, 1918.

The number of natives employed at 30th June, 1919, was 13,083, as compared with 12,303 at 30th June, 1918.

Native Labour.—The native labour required by the Company was practically supplied by natives voluntarily presenting themselves at the Compounds.

THE WAR.

The Company continues to allow to its employees with the Union Forces the difference between their Company half-pay and their Military pay, the married men retaining their separation allowance, which is not deemed to be "pay," whilst employees with the Forces overseas are allowed their Company half-pay in addition to their Military pay and allowances. The war bonuses are allowed to all employees with the Forces.

A gratuity of £150,000 has been voted for distribution among the soldier employees.

The expenditure to 30th June, 1919, was as follows:—

	Year ended 30th June, 1915.	Year ended 30th June, 1916.	Year ended 30th June, 1917.	Year ended 30th June, 1918.	Year ended 30th June, 1919.	Total
Overseas Forces	—	£18,805 19 9	£26,453 18 1	£34,028 3 7	£35,091 0 1	£114,379 1 6
Union Military Forces ...	£67,854 10 3	£50,534 4 2	£10,936 13 2	£5,323 0 11	£3,388 9 4	£138,036 17 10
War Bonus to employees on Active Service	—	—	£4,029 12 8	£11,341 2 6	£13,670 14 6	£29,041 9 8
Gratuity to Soldier Employees ...					£150,000 0 0	£150,000 0 0
	£67,854 10 3	£69,340 3 11	£41,420 3 11	£50,692 7 0	£202,150 3 11	£431,457 9 0

During the year a considerable number of employees resumed work from Active Service, leaving on Active Service at 30th June, 1919:—

Overseas	109
Union Military Forces	14
Total	123

I regret to have to report that there have been many casualties amongst employees on Active Service.

The following list gives all the casualties since the War began, and has been compiled from the Official Casualty Lists published up to the 30th September, 1919:—

CASUALTIES.

KILLED IN ACTION, DIED OF WOUNDS, OR DIED ON SERVICE.

Pte. Henry Acres.	Dutoitspan Mine Compound.	Oversea Infantry.
,, E. S. Anderson.	Pulsator.	,, ,,
,, T. H. Anderson.	Workshops.	,, ,,
,, W. E. Anderson.	Wesselton Mine.	2nd Batt'n., Kimberley Regt.
Major J. N. F. Armstrong.	Mining Engineer.	Royal Engineers.
Pte. W. V. Bailey.	Wesselton Mine.	Oversea Infantry.
,, A. F. Baird.	Bultfontein Mine.	,, ,,
,, T. W. Beaton.	Wesselton Floors.	,, ,,
,, George Beynon.	Bultfontein Floor Compound.	,, ,,
,, Cyril Bishop.	Dutoitspan Mine.	,, ,,
,, William Borcher.	Bultfontein Floors.	,, ,,
Sergt. C. H. Botha.	Wesselton Floors	5th S.A.N.L. Contingent.
Pte. S. A. H. Bothma.	Wesselton Mine.	Oversea Infantry.
Lieut. G. W. B. Bradford.	Accountant's Department, Head Office.	Royal Air Force.
,, W. T. C. Braine.	Diamond Sorting Dept., Head Office.	3rd West Riding Regiment.
Pte. T. E. Brocklebank.	Dutoitspan Mine.	Oversea Infantry.
L/Cpl. J. H. Brown.	Wesselton Floors.	Cape Peninsula Rifles.

Lieut. H. D. L. Burke.	Dutoitspan Mine.	5th S.A. Infantry.
Pte. A. W. Byrne.	Bultfontein Mine.	Oversea Infantry.
S/M. W. G. Cole.	Bultfontein Mine Compound.	S.A. Medical Corps.
Pte. H. B. D. Coxen.	Bultfontein Floors.	85th Battalion, Rifle Brigade.
L/Cpl. J. J. Cross, junr.	Kimberley Mine.	2nd Batt'n, Border Regiment.
,, P. M. Dickins.	Dutoitspan Mine.	Oversea Infantry.
,, F. R. J. Dring.	Wesselton Floors.	,, ,,
Pte. J. J. du Toit.	Bultfontein Floors.	,, ,,
,, F. A. Esterhuizen.	Convict Station.	,, ,,
,, H. W. Fairweather.	Kimberley Mine.	,, ,,
Lieut. W. R. Farquhar.	Mine Survey Department.	Royal Field Artillery.
Pte. D. J. Farquharson.	Bultfontein Mine.	Oversea Infantry.
,, S. L. Feneysey.	De Beers Floors.	,, ,,
,, W. G. H. Fiford.	Wesselton Floors.	Cape Peninsula Rifles.
,, W. J. Fink.	Wesselton Mine.	Oversea Infantry.
Tpr. A. H. Fisher.	Bultfontein Mine Compound.	Kimberley Central Commando.
Gunner J. H. Fitzpatrick.	Wesselton Mine.	Oversea Field Artillery.
Pte. J. L. Fivaz.	Dutoitspan Mine.	Oversea Infantry.
Gunner J. W. Francke.	Kimberley Mine.	Oversea Heavy Artillery.
Pte. John Fraser.	Wesselton Mine.	Oversea Infantry.
,, C. A. Furmidge.	Wesselton Floors.	,, ,,
,, A. H. Good.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
Artificer T. F. Grant.	Central Power Station.	Royal Navy.
Pte. J. J. Gravell.	Bultfontein Mine.	Oversea Infantry.
,, E. P. Gregory.	Convict Station.	2nd Batt'n, Kimberley Regt.
Sapper Melville Greig.	Workshops.	Royal Engineers.
Cpl. J. M. Hanssen.	Wesselton Floors.	Oversea Infantry.
Capt. Fred Harrison.	Head Office.	2nd Batt'n, Kimberley Regt.
Pte. W. S. Harvey.	Dutoitspan Floors.	5th S.A. Infantry.
,, P. L. Healy.	Wesselton Mine.	Oversea Infantry.
,, N. H. Holmes.	Wesselton Mine Compound.	,, ,,
,, F. H. Indge.	Dutoitspan Floors.	,, ,,
,, H. M. E. Jakins.	Bultfontein Mine Compound.	,, ,,
,, A. L. Johnston.	Wesselton Mine.	6th Battalion, Australian Infantry.
,, E. J. Johnston.	Workshops.	Oversea Infantry.
Capt. W. B. Keating.	Central Power Station.	Seaforth Highlanders.
Pte. A. J. Kelly.	Dutoitspan Mine.	Oversea Infantry.
,, W. A. Kenney.	Dutoitspan Floors.	,, ,,
,, W. J. Kirkham.	Convict Station.	,, ,,
Gunner W. A. Knipe.	Bultfontein Mine.	Oversea Field Artillery.
Pte. Joseph Lanson.	Wesselton Mine.	Oversea Infantry.
Sergt. S. H. Ledger.	Accountant's Department, Head Office.	,, ,,
L/Sergt. A. E. Lennox.	Wesselton Compounds.	,, ,,
2nd Lieut. J. R. H. Liddell.	Workshops.	Royal Air Force.
L/Cpl. William McFarlane.	Dutoitspan Mine.	Oversea Infantry.
Pte. J. C. McGregor.	Workshops.	,, ,,
,, T. W. McGuinness.	Dutoitspan Mine.	,, ,,
Staff-Sergt. Patrick McMahon.	Wesselton Mine Compound.	Command Pay Staff.
Pte. Donald McTavish.	Wesselton Floors.	S.A. Veteran Regiment.
,, W. F. Maltman.	Workshops.	Oversea Infantry.
,, W. C. Manuel.	Wesselton Mine.	8th S.A. Infantry.
,, John Martin.	De Beers Floors.	Oversea Infantry.

Tpr. D. J. Mitchell.	Wesselton Mine.	Kimberley Central Commando.
Pte. W. F. Moore.	Dutoitspan Mine.	Oversea Infantry.
,, Duncan Munro.	Workshops.	,, ,,
,, William Needham.	Workshops.	,, ,,
,, H. P. Nelson.	Workshops.	Army Service Corps (Motor Transport).
,, Alfred Nicholson.	Land Survey Department, Head Office.	Oversea Infantry.
,, H. J. A. Poulton.	De Beers Floors.	,, ,,
,, Victor Potter.	K. and A. E. Railway.	,, ,,
L/Cpl. W. R. Rae.	Workshops.	,, ,,
Driver J. S. Robertson.	Wesselton Mine.	Mechanical Transport.
Pte. H. W. Rogers.	Wesselton Floors.	S.A. Veteran Regiment.
,, A. A. W. Rule.	Wesselton Mine.	Oversea Infantry.
,, Frederick Slinger.	Workshops.	,, ,,
,, A. W. Sly.	Wesselton Floors.	,, ,,
,, E. J. Sly.	Workshops.	,, ,,
2nd Lieut. F. P. Smith.	Benefit Society.	Oversea Infantry.
L/Cpl. C. A. C. Tomlinson.	Dutoitspan Mine Compound.	,, ,,
Sapper P. G. van der Merwe.	Dutoitspan Floors.	S.A. Pioneer Battalion.
Pte. H. L. J. van Rensberg.	Dutoitspan Floors.	S.A. Veteran Regiment.
Capt. A. E. Ward.	Workshops.	Oversea Infantry.
Pte. P. E. Watkins.	Kimberley Mine.	,, ,,
,, W. C. Watts.	Workshops.	S.A. Special Service Company.
Cpl. R. W. Wheeler.	Wesselton Mine.	S.A. Medical Corps.
Pte. R. W. Whitter, junr.	Workshops.	Oversea Infantry.
,, R. J. Whitter.	Bultfontein Mine.	,, ,,
,, Walter Williams.	Wesselton Floors.	,, ,,
Sapper C. H. Willis.	Workshops.	S.A. Pioneer Battalion.
Pte. N. G. Windell.	Convict Station.	Oversea Infantry.
,, M. P. Zara.	Bultfontein Floors.	,, ,,

WOUNDED.

Pte. J. G. Barker.	Workshops Stables.	Oversea Infantry.
,, J. C. Batty.	Kimberley Mine.	,, ,,
,, T. G. Bawden.	Workshops.	,, ,,
,, Albert Beck.	Bultfontein Mine.	South Lancashire Regiment.
,, S. C. J. Bosch.	Wesselton Mine.	Oversea Infantry.
,, H. L. Botes.	De Beers Floors.	,, ,,
,, Francis Botha.	Workshops.	,, ,,
2nd Lieut. F. K. Bradford.	Estate Department, Head Office.	8th Northumberland Fusiliers.
Lieut. J. S. Braine.	Diamond Sorting Department, Head Office.	3rd West Riding Regiment.
Pte. P. T. Brand.	Workshops.	Oversea Infantry.
,, E. E. Bruckmann.	Workshops.	,, ,,
,, C. G. Bryant.	Dutoitspan Floors.	,, ,,
Capt. C. E. Calvert.	Bultfontein Mine Compound.	2nd S.A. Rifles.
Sergt. W. J. Carroll.	Workshops.	Oversea Infantry.
Pte. F. J. Castles.	Wesselton Floors.	,, ,,
Pte. N. J. Castles.	Kimberley Floors.	,, ,,
,, Christopher Charlton.	Bultfontein Mine.	,, ,,
Gunner W. E. Churchill.	Kimberley Mine.	Oversea Artillery.

L/Sergt. Charles Clark.	Dutoitspan Mine Compound.	Oversea Infantry.
C.S.M. A. B. Clements.	Wesselton Floors.	2nd Cape Corps.
Pte. H. H. A. Clifford.	Convict Station.	Oversea Infantry.
Lieut. V. H. Collins.	Workshops.	Royal Air Force.
Pte. Joseph Collinson.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
Pte. J. W. Colvin.	Bultfontein Floors.	Oversea Infantry.
,, H. F. Cooper.	Wesselton Floors.	2nd Batt'n, Kimberley Regt.
Pte. G. H. Cosgrove.	Dutoitspan Mine.	2nd Batt'n, Kimberley Regt.
Gunner C. M. G. Coughlan.	Workshops.	Oversea Heavy Artillery.
Pte. E. J. Croft.	Kimberley Floors.	Oversea Infantry.
,, J. T. Currie.	Bultfontein Mine.	S.A. Veteran Regiment.
,, E. J. Dennis.	Wesselton Mine.	S.A.M.C.C.
,, A. E. Dolby.	Dutoitspan Floors.	Oversea Infantry.
,, A. H. Ebdon.	Workshops.	2nd Batt'n, Kimberley Regt.
,, W. C. H. Edgerton.	Wesselton Compounds.	2nd Batt'n, Kimberley Regt.
,, W. S. Edmunds.	Central Power Station.	S.A. Medical Corps.
,, C. W. C. Estment.	Bultfontein Mine.	Oversea Infantry.
Cpl. P. E. Farquharson.	Bultfontein Mine.	,, ,,
L/Cpl. F. R. Farr.	Wesselton Mine.	,, ,,
Pte. W. H. Felton.	Wesselton Mine.	,, ,,
,, E. J. Filer.	Workshops.	,, ,,
,, W. T. Filer.	Workshops.	,, ,,
Gunner C. J. Fitzpatrick.	K. & A.E. Railway.	Oversea Heavy Artillery.
Pte. J. J. Fourie.	Wesselton Mine.	Oversea Infantry.
L/Cpl. S. H. Freislich.	Stores, Dept., Workshops.	,, ,,
Pte. Joseph Furno, junr.	Wesselton Mine.	,, ,,
,, P. A. Gibson.	Workshops.	,, ,,
,, J. T. Goodrich.	Workshops.	Railway Regiment.
,, Abraham Green.	K. and A. E. Railway.	Oversea Infantry.
,, E. S. Green.	Wesselton Floors.	,, ,,
,, G. L. Green.	Bultfontein Mine.	,, ,,
Cpl. S. W. Green.	Dutoitspan Floors.	,, ,,
Pte. William Grindlay.	Central Time Office.	,, ,,
,, Ronald Grindlay.	Wesselton Floors.	,, ,,
Lieut. W. L. Haddock.	Diamond Sorting Department, Head Office.	Tank Corps.
C.S.M. W. A. Hampshire.	K. and A. E. Railway.	S.A. Railway Regiment.
Pte. Harry Hargreaves.	Workshops.	Oversea Infantry.
,, D. R. Harris.	Workshops.	,, ,,
,, M. G. Hart.	Workshops.	,, ,,
,, George Haugh.	Workshops.	Royal Irish Rifles.
Gunner R. R. Hawke.	Wesselton Mine.	S.A. Heavy Artillery.
Cpl. Frank Herbert.	Workshops.	Oversea Infantry.
,, W. A. Hermiston.	Workshops.	,, ,,
Pte. J. G. F. Hocknell.	Wesselton Mine.	,, ,,
Sergt. H. B. Humphreys.	De Beers Floors.	9th Mounted Brigade, Field Ambulance.
Pte. R. P. Humphries.	Kimberley Mine.	Oversea Infantry.
Gunner Harry Jackson.	Workshops.	Oversea Heavy Artillery.
Pte. E. G. Jarrard.	Workshops.	Oversea Infantry.
Lieut.-Col. H. H. Jenkins.	Bultfontein Floor Compound.	,, ,,
Gunner H. W. Johns.	Bultfontein Mine.	Oversea Artillery.
Pte. J. R. Johnson.	Workshops.	S.A. Railway Regiment.
,, J. A. Johnson.	Kimberley Floors.	Oversea Infantry.

Gunner F. E. Kelly.	Dutoitspan Mine.	Oversea Heavy Artillery.
Pte. J. L. Keppie.	Workshops.	Oversea Infantry.
Pte. G. S. J. Lambourne.	Workshops.	Oversea Infantry.
L/Cpl. William Laxson.	Workshops.	,, ,,
Pte. R. C. Leach.	Kimberley Floors.	,, ,,
,, Stephen Livingston.	Kimberley Mine Compound.	,, ,,
,, J. P. McGowan.	Bultfontein Mine Compound.	,, ,,
,, H. F. Mackintosh.	Dutoitspan Mine.	2nd Rhodesian Regiment.
Gunner W. T. Maddrell.	Workshops.	Oversea Heavy Artillery.
Pte. C. L. Maloney.	Workshops.	Oversea Infantry.
,, J. H. E. May.	Dutoitspan Floors.	,, ,,
,, Alexander Milne.	Wesselton Floors.	7th S.A. Infantry.
,, A. D. Mitchell.	Wesselton Mine.	Oversea Infantry.
Gunner E. A. Mitchell.	Wesselton Mine.	Oversea Heavy Artillery.
Pte. J. A. Moore.	Workshops.	Oversea Infantry.
,, G. F. C. Murray.	Wesselton Floors.	,, ,,
Capt. A. R. Newlands.	Estate Department, Head Office.	125th Oxford Heavy Battery, Royal Garrison Artillery.
Gunner John O'Donoghue.	Wesselton Mine.	Oversea Artillery.
Pte. F. T. Oxley.	Workshops.	Oversea Infantry.
,, G. W. W. Parker.	Workshops.	S.A. Infantry.
L/Cpl. A. S. Parsons.	Workshops.	Oversea Infantry.
Cpl. T. H. Pierdica.	Bultfontein Floors.	,, ,,
Pte. C. J. Pike.	Bultfontein Floor Compound.	,, ,,
L/Cpl. J. R. Prince.	Workshops.	,, ,,
Gunner H. G. F. Rawson.	Workshops.	Oversea Heavy Artillery.
R.S.M. James Richardson.	Workshops.	2nd Batt'n, Kimberley Regt.
Pte. J. V. Robey.	Convict Station.	Oversea Infantry.
,, W. J. Rodwell.	Wesselton Mine.	,, ,,
2nd Lieut. I. H. Salonika.	Drawing Office, Head Office.	Oversea Heavy Artillery.
L/Cpl. P. J. Scott.	Bultfontein Mine.	Oversea Infantry.
Pte. E. H. Scrace.	Dutoitspan Mine.	,, ,,
,, C. J. Seitz.	Wesselton Floors.	,, ,,
Gunner J. J. R. Sherriff.	Workshops.	Oversea Heavy Artillery.
Pte. J. A. H. Short.	Pay Dept., Head Office.	Oversea Infantry.
,, A. R. W. Smart.	Workshops.	,, ,,
Sergt. Alexander Smith.	Bultfontein Mine.	,, ,,
L/Cpl. J. W. Spicer.	Bultfontein Floors.	,, ,,
Pte. V. W. Spruce.	Workshops.	,, ,,
,, J. S. Summers.	Workshops Stables.	,, ,,
L/Cpl. J. H. Taylor.	Workshops.	,, ,,
Pte. Mackenzie Taylor.	Workshops.	,, ,,
Gunner C. H. H. Thompson.	Bultfontein Floors.	Oversea Heavy Artillery.
Pte. C. M. Thompson.	Workshops.	Oversea Infantry.
,, Robert Thompson.	Workshops.	,, ,,
,, L. C. Trollip.	Dutoitspan Floors.	,, ,,
,, S. E. R. van der Schyff.	Bultfontein Mine.	,, ,,
,, A. E. van Renen.	Secretary's Department, Head Office.	,, ,,
Tpr. G. J. J. van Rensberg.	Convict Station.	Helgaard's Scouts.
Pte. N. J. Vlok.	Dutoitspan Floors.	Oversea Infantry.
Gunner J. H. Watcham.	Wesselton Mine.	Oversea Heavy Artillery.
Sergt. H. E. Watkins.	Workshops.	Oversea Infantry.
Pte. H. L. White.	Workshops.	8th S.A. Infantry.

Pte. B. F. Windell.	Wesselton Floors.	Oversea Infantry.
,, A. J. Wright.	Workshops.	,, ,,
Cpl. S. F. Wyattcouch.	De Beers Mine.	Duke of Cornwall's Light Infantry.
Pte. S. S. Young.	Dutoitspan Mine.	Oversea Infantry.
,, A. E. Youngman.	Bultfontein Mine Compound.	,, ,,
C.S.M. T. J. W. Zeiss.	Bultfontein Floors.	,, ,,

PRISONERS OF WAR.

*Pte. William Bayman, junr.	Workshops.	Oversea Infantry.
,, W. J. Birkett.	Bultfontein Mine.	,, ,,
* ,, A. P. Bothma.	Workshops.	,, ,,
* ,, D. D. Clack.	Dutoitspan Floors.	,, ,,
,, V. J. C. Clark.	Workshops.	,, ,,
* ,, F. A. K. Devenish.	Wesselton Compounds.	,, ,,
*Lieut. W. D. Henry.	Stores Dept., Workshops.	,, ,,
*Sergt. F. C. Jukes.	Dutoitspan Mine Compound.	,, ,,
*L/Sergt. H. S. Kipling.	Dutoitspan Mine.	,, ,,
L/Cpl. S. G. Lambourne.	Dutoitspan Mine.	,, ,,
*Pte. W. H. Moss.	Workshops.	,, ,,
,, H. C. Nixon.	Wesselton Mine.	,, ,,
Sergt. T. E. Oliphant.	Dutoitspan Floors.	,, ,,
*Major T. Ormiston.	Farms Dept., Head Office.	,, ,,
*Pte. J. A. Smith.	Workshops.	,, ,,
* ,, M. B. Ward.	Workshops.	,, ,,
*Sergt. Bernard White.	Wesselton Mine.	,, ,,
*Pte. J. G. Whitehead.	Bultfontein Floors.	,, ,,

*Also wounded.

The following is a summary of the casualties since the commencement of the War:—

Killed and Died.	Wounded and Prisoners of War.	Total.
98.	146.	244.

In conclusion, I beg to thank the Directors of the Company, the various heads of departments, and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

De Beers Consolidated Mines, Limited.

Thirty-First Ordinary General Meeting.

The Thirty-first Ordinary General Meeting of the Shareholders of De Beers Consolidated Mines, Ltd., was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, December 5th, 1919. Colonel Sir David Harris, K.C.M.G., V.D., M.L.A., presided, and the shareholders present were: Mr. G. W. Compton, Mr. P. Ross Frames, Mr. W. Pickering (and q.q. Mr. A. Gloag and Koffyfontein Estates), Mr. F. Hirschhorn, Mr. A. Brink, Mr. E. W. Weatherby, Lieut.-Col. H. S. Harris, Mr. Sydney Smith, Mr. Colin W. Lawrence, Mr. Geo. R. Benford, Mr. H. Rose-Innes (and q.q. Mr. B. Horkheimer), Mr. H. E. Clark (and q.q. Mr. E. Oppenheimer), Mr. J. W. Robinson, Mr. T. Rowe English, Mr. K. C. Elliott, Mr. J. J. T. King (q.q. Mr. D. van Ulsen, Mrs. J. McCullagh and Mrs. R. McFarland and estate late C. A. E. H. Meyer), Mr. W. H. Carter, Mr. Alex. S. Gibson, Mr. Joseph Buck, Mr. A. Westcott, Mr. Andrew Kiddie. Mr. W. M. Miller, Mr. C. E. Hertog (Company's Solicitor), and Mr. E. F. Raynham (Secretary).

Colonel Sir David Harris held proxies representing 180,774 shares.

Mr. F. Hirschhorn held proxies representing 56,870 shares.

Mr. G. W. Compton held proxies representing 6,952 shares.

Mr. A. Brink held proxies representing 6,106 shares.

The Secretary read the notice convening the meeting, and afterwards the minutes of the 30th Annual Meeting held on December13th last year, together with the minutes of an Extraordinary General Meeting held after that meeting, were read and confirmed.

The Secretary laid on the table a list of registered deferred shareholders.

The Directors' Report and the Statement of Accounts, which had been previously circulated among shareholders, were taken as read, on the motion of Mr. H. E. Clark, seconded by Mr. E. W. Weatherby.

Colonel Sir David Harris then rose to move the adoption of the Directors' Report, Balance Sheet, and Profit and Loss Account for the year ended June 30th, 1919. He said: Gentlemen,—Since we last met South Africa's greatest son has gone to his rest. When an enemy, fighting against Great Britain, he earned our respect as a chivalrous warrior, and subsequently as a Minister of the Crown, loyally upholding the Empire's cause, we admired him, not only as a soldier, but as a great statesman. His guiding star was a sense of honour and duty, the happiness and contentment of his fellow South Africans, and the progress and development of his native country. From the inception of Union I had the great privilege of enjoying his friendship and confidence. He had a most attractive personality—kind to his friends, considerate and courteous to his opponents. General Botha's death is a world-wide loss, sincerely mourned. To his wife and family we offer our whole-hearted sympathy.

Well, gentlemen, we have had a good year. But we require a succession of profitable years to make up for the periods of depression consequent on the American financial crisis of 1907-8 and the recent devastating war. During these very trying times our shareholders for several years received no return on their holdings, because the Company was not in a position to declare dividends. The share capital of this Company represents a market value of about 40 millions sterling, and you can imagine the serious loss sustained by those who have put money into this concern—I cannot say invested it, for ordinary mining is too risky and speculative, even when producing commodities of standard value, to be looked upon as an investment; besides, the risk to our shareholders is much greater, as we are producing an article of extreme luxury, which, while being almost indestructible, is inconsumable, and is subject to the world's financial, political and industrial conditions.

Nearly all the original shareholders have passed away, amongst the number being Sir Julius Wernher, Sir F. Philipson-Stow, Messrs. Cecil Rhodes, B. I. Barnato, A. Beit, T. Shiels, H. Mosenthal, Wolf Joel, and Robert English. The majority of the shares formerly held by the afore-named have changed hands, and are now held by numerous persons, many of whom depend upon the dividends accruing to meet current domestic expenses, but who, owing to the unscientific methods and inequalities of the Income Tax Act of the Union, are mulct in increased taxation compared with those investors who derive income from mortgages, Government securities, or various other industries. (Applause.)

In prosperous years we cannot distribute in dividends all the profits made. We have to provide for redemption of debentures due in 1930; we also feel bound to increase our reserves annually so that in the event of a lull or set-back in the diamond market we can hold our diamonds, and not be forced to place them on an unwilling market, which would bring down prices and shake the confidence of the trade. The knowledge that the big producers and the Diamond Syndicate will, so to speak, lock up their safes in the event of a falling off in the demand is the great factor in maintaining values, and securing the manufacturers and dealers against losses. In the event of a temporary diminution in the demand for diamonds we must continue working our mines, and not be compelled to close them down as formerly for want of funds. All these matters necessitate the creating of a big cash surplus. Our reserves to-day, which appear to be large, are not quite sufficient for our obligations and responsibilities, therefore they should be gradually increased from year to year to provide the necessary capital for the industrial development we have in contemplation. (Hear, hear.) We are in a very sound financial condition, and consider it to be the wisest course to strengthen the position rather than allow it to remain stationary.

On reference to the accounts you will see that the items capital account and liability in respect of debentures remain the same as last year. In the previous financial year the General and Debenture Redemption Funds stood at £2,104,630. In this year's statement of accounts these amount to £2,726,163, representing an increase of £621,533. There is a slight decrease of about £6,000 in the value of blue ground stocks, compared with the decreased quantity now on the floors, as against the number of loads on June 30, 1918; but shareholders need not be concerned about this, as there were 8,454,176 loads lying out at the end of June, 1919.

For the stabiliment of the diamond trade we have now £1,975,325 8s. 4d. set aside, which is a substantial increase on last year. Our current liabilities amount to £3,216,487. You will observe, by reference to the credit side of the balance sheet, that this large sum is well covered—in fact, shows a big surplus—in the items investments in stocks and shares, reserve investments, advances to subsidiary companies, open accounts, special investments, bills receivable, cash at bankers, and sundry other credits.

I may mention that the cost per load for hauling and washing has further increased, namely, from 4s. 2.56d. to 5s. 0.94d., as compared with last year, due principally to the increased cost of labour and mining supplies.

During the year the capital expenditure on the Kimberley-Alexandersfontein Electric Tramways amounted to £43,797, including £17,090 3s. 5d. for new cars, £1,750 for offices at the City Hall, and £24,957 in extending the system to enable our employees to travel more comfortably and expeditiously to and from their work. (Applause.)

Annual leave to employees this year entailed an expenditure of £23,047, as against £10,504 for the previous twelve months. This increase is due to more leave falling due and being taken.

The epidemic, designated influenza, cost the Company £198,800 8s. 10d., including a donation of £7,000 to De Beers Benefit Society, to assist that institution in paying the heavy demands upon its resources. There was no obligation to provide this sum, but, considering the benefits enjoyed by our employees and their families through the Society, we felt bound to strengthen its funds, which assistance was urgently needed. I might mention that some months back a recrudescence of influenza occurred in several of our compounds. Fortunately the disease was of a milder type than that experienced in October, 1918. All possible precautions and safeguards against the spread of the malady, based on the painful lessons we had last year, were promptly taken, with the result that the sickness was in a short time completely stamped out. (Applause.)

When I presided last year I mentioned that the sum required to make up to employees the difference between the amount they received in salaries and wages and their full pay from September 1, 1914, to June 30, 1916, would exceed £160,000. As a matter of fact, the amount actually distributed in this connection was £165,642 2s. The expenditure

during the year ended June 30, 1919, consequent on the war, including £150,000 gratuity, amounted to £284,391 8s. 10d., as compared with £135,265 10s. 3d. in the previous twelve months. The figure I have mentioned only, however, represents a portion of the sum spent during hostilities, for in that period we have paid in salaries, wages, and war bonus to our workpeople whilst on active service, and death benefits paid to deceased soldier employees' dependents, £433,334 18s. 10d. (Applause.) To this amount must be added the war gratuity of £150,000 previously referred to, divided amongst soldier employees according to period on active service; and in this connection I may state that we gave our men half pay during the whole of the time they were on military service, whilst the dependents of those serving overseas received also separation allowance. One thousand six hundred and forty-two of our men participated in this gratuity, many receiving on their return to Kimberley sums exceeding £250. (Applause.) I need hardly tell you that every man who while in our employ served in the war, and had the good fortune to return to South Africa, has resumed his employment in the Company. (Applause.) I am not mentioning this in any boastful spirit, but to satisfy you that, as our employees did their duty to their country, so we have tried to do our duty by them. (Hear, hear.) Our war donations to the Governor-General's and other funds amounted to £119,998 0s. 11d., making a grand total of £703,332 19s. 9d. (Applause.) Well, gentlemen, this is our war record, and it will, I feel convinced, commend itself to shareholders. (Applause.)

The diamond account exceeds that of the previous year by about £1,500,000. This may in a measure be attributable to the decreased production during this period from German South-West, now the South-West Protectorate. Last year the interest on dividends and investments amounted to £296,033 3s. 11d.; this year the figure is £332,562 10s. 1d., an increase of £36,529 6s. 2d.

The sum of £80,083 14s. 8d. has been added to the Debenture Redemption Fund, which now stands at £579,028 0s. 9d. At this rate of increase there will be £1,635,495 available by the 1st January, 1930, to pay off the London and South African Exploration Company's debentures of a like amount. Last year the sum carried to the balance sheet from the Appropriation Account amounted to £41,677 11s. 5d.; this year the figure is £466,267 11s. 4d.

Having now drawn your attention to all the salient figures of the Balance Sheet and the Profit and Loss Account, I need not take up further of your time by dealing fully with every item, as you have been in possession of the printed accounts for some time, and must be fully cognisant with the details, and quite satisfied, I am sure, with the strong financial position and resources of the Company to meet all the normal conditions and risks incidental to mining.

A conference of the four largest producers of diamonds, consisting of German South-West Africa, De Beers, Jagersfontein and Premier companies, met in London in July, 1914, with the object of regulating the value of diamonds to be placed on the market, and determining the quota of each participant in the total annual sales. The German Government's representatives were very able and distinguished men (by the way, may I say that had I not been a member of the conference I might have passed the same compliment in regard to the other delegates)—(laughter)—and they made it a *sine qua non* that the diamonds of the four contracting parties should be sold through one channel, and that the Syndicate should share in the profits. After long and protracted negotiations, lasting many days, an agreement was arrived at amongst the producers, and terms made with the Syndicate for the marketing of the diamonds. The respective agreements were completed and ready for signature when war broke out, bringing all our labours and negotiations to an abrupt ending. The Germans returned to their Fatherland, and the conference, which was conducted in a most friendly spirit, interspersed with convivial evenings at the Carlton and Ritz Hotels, suddenly collapsed. And so did the diamond market. As you are aware, the diamond industry passed through a most critical time, so much so that during the first two years of the war we did not pay a dividend on the ordinary shares, and were compelled to defer payment on the preference shares. During 1916, after a long period of exhaustion, the diamond market began to show signs of a return to life. We nourished it gradually, fearing that if we fed it too well there would be a further collapse. While the trade was slowly recovering the Union Government decided to place a large quantity of German South-West Africa diamonds on the market, for which they called for tenders in London and on the Continent. The Syndicate, feeling that if those goods were forced on the dealers there would be the collapse we were trying to avoid, approached De Beers Company, pointing out to the Board that it was as much or more in their interests to nurse the market as it was in the interest of the Syndicate to adopt that policy, and suggested tendering on joint account. Well, that was arranged, and the Syndicate's offer, which was by far the highest tender, was ultimately accepted during February, 1917, and ripened into an arrangement on a profit-sharing basis for the purchase of the German South-West diamonds until

the conclusion of peace. In October, 1916, the Syndicate came to terms with the Premier Company for the purchase of its output, so that from February, 1917, the diamonds of the four big producers have been sold through one channel. From this very time the market took a new lease of life. (Applause.) Perfect confidence was established through the whole trade, prices have risen gradually, and we are now passing through a time of prosperity which I hope will continue long enough to enable the company to make up to shareholders the losses sustained during the four years when they received no dividends. (Applause.)

After the actual and practical experience of this policy of control of sales, it did not require great business acumen to realise that its continuance was vital to the interests of the whole diamond industry, including the alluvial diggers. Fully appreciating this, a conference of the four big producers met at Capetown on the 9th of September last, and finished its labours in Pretoria on the 12th of November. I need not go fully into the details, but the principal heads of the agreement are:—

(a) A contract for five years, which can be terminated at the end of two years, or by 12 months' notice after the expiration of the first year.

(b) All diamonds must be sold to the Syndicate during the continuance of the agreement, cash against delivery in South Africa, the Syndicate to bear all losses.

(c) The prices to be paid to the four producers in South and South-West Africa every succeeding quarter to be based on the net average price realised by the Syndicate for the respective quotas during the previous three months, less 5 per cent. Adjustments to be made quarterly.

The quotas were fixed as follows:—

De Beers	51 per cent.
South-West Protectorate	21 per cent.
Premier Company	18 per cent.
Jagersfontein	10 per cent.

In addition to the initial price paid in South Africa, the producers receive a supplementary amount equivalent to half of the profits realised by the Syndicate in excess of 5 per cent. In this way the producers benefit by any rise in the market, but they do not share in any losses, which are borne by the Syndicate alone. On the whole, the terms agreed upon are very satisfactory, and will, I am sure, meet with your approval. The alluvial diggers were not parties to the conference, as it was recognised that they could not arrange to limit the value of their finds, so that they are in the happy position of selling unrestricted in any form whatever their total output and at greatly enhanced prices, due to the policy of the big producers, who, to adopt a phrase which has become current in another sphere, may be called the "Big Four." The production to-day from the alluvial diggings within the Union averages about £300,000 per month, and this will give you some idea of the enormous advantages which the alluvial diggers derive from the policy of control. Their conditions of living have improved, their prospects brightened, and the large numbers of families who formerly eked out a miserable pittance owing to the low prices realised for their finds are now making comfortable livings, and some diggers are even becoming despised capitalists. (Laughter.) A wonderful change for the better has come over the whole of the diggings, which is beneficial to the State in many ways, apart from the revenue received from the 10 per cent. export duty on diamonds found on these fields.

In addition to the increased life of the mines which results from the policy of control, the State benefits enormously in direct taxation. The conference estimated that the market will absorb annually at least £12,000,000 worth of diamonds that the "Big Four" themselves will produce. On this basis I have made a rough estimate of the annual direct income the State will receive if diamonds retain their present prices. It is not an audited account, but it is, I think, one well within the mark.

The 10 per cent. duty on diamonds exported from the Union will amount to	£1,200,000
From De Beers Company, for normal and dividend taxes (and this is a low estimate)	400,000
Government share of South-West Protectorate diamonds profits	1,000,000
Government share of the Premier Company's profits (including normal and dividend taxes)...	800,000
From Jagersfontein Company, for normal and dividend taxes...	75,000
Making a grand total per annum of	£3,475,000

The Government will, therefore, receive per annum more in direct taxation from the diamond industry than the three large producers in the Union (namely, De Beers, Premier, and Jagersfontein companies) combined pay annually in dividends on their ordinary shares.

This method of taking the cream, and leaving the skimmed milk for investors, has been adopted by a Government anxious to promote industrial expansion and the introduction of foreign capital for the development of the country and its enormous possibilities. (Applause.)

We have not devoted our attention and energies exclusively to diamond mining. Large sums of money that could have been paid in dividends to shareholders have been utilised in encouraging and establishing large and beneficial industries, the first of which in importance is the Explosives Works at Somerset West, which is capable of an output of 600,000 cases of dynamite of various grades per annum. This venture by our company has resulted in a great saving to the gold, diamond and other mines of South Africa and Australia, as they would have been compelled to pay much higher prices now, and especially during the war, for the different grades of explosives than those charged by the Cape Explosives Works, Limited. The capital required to properly equip this factory amounted to £1,464,888, and the whole of this sum was provided by De Beers Company.

We have, as you know, gentlemen, big interests in the Natal coal industry. We own nearly the whole share capital of the South African Collieries, situated near Glencoe, which concern, I may mention, has not paid a dividend on the result of its coal-producing operations since its inception over 20 years ago, owing in a great measure to the lack of railway transport, but which position, we are led to believe, will be largely remedied during the next six months. Three new shafts have been sunk on this property, up-to-date machinery has been erected, development is proceeding, and we expect by the end of March next to be in a position to put out 20,000 tons of first-grade coal per month, which quantity can be gradually increased. To achieve these results De Beers Company has advanced up to date £298,151. The ultimate success of the undertaking is assured if the Railway Department can cope with the coal traffic. Every allowance must be made, of course, for delays during the war period, but matters should be remedied in the near future, otherwise a serious check will result to the whole of the Natal coal industry.

There is a widespread agitation for industrial development within the Union. This is a most laudable movement, with which we are in full sympathy, and prepared to supply more capital and devote our energies—a real and practical proof of our desire to further the interests of South Africa. (Applause.) The Government have paid much attention to this question, have appointed Commissions, encouraged technical research, etc., but all these steps will avail little without adequate railway facilities. The Union's power to progress, and its general development and industrial expansion, are dependent upon available transport. If the Government will devote themselves to these vital questions, and greatly increase the carrying powers of the railways, experience, organising ability and private enterprise will do the rest.

This company is largely interested in farming—agricultural and pastoral. We possess 450,000 acres of land in the Union, mostly within the Kimberley district, and 250,000 acres in Rhodesia, all of which are beneficially occupied. This will be apparent when I tell you that we have running on those farms 27,180 animals—14,895 in Rhodesia and 12,285 locally. During the last eighteen years we have imported pedigree stock and thoroughbred horses which have materially improved the breed of our animals. During the last financial year we sold by public auction in Rhodesia 1,500 head of cattle, realising £11,300, and it will be necessary to hold auction sales periodically in order to dispose of surplus stock.

It will interest you to learn that on the 30th of June last the total sum the Company had invested in ventures, quite apart from diamond mining, amounted to £3,147,561, including the following:

Cape Explosives Works	£1,464,888
Cold Storage	332,894
Farms, Tramways, and other Property	753,437
Rhodesia	155,944
Rhodes Fruit Farms	95,401
South African Collieries	298,151
Kroonstad Coal Company	46,846

If shareholders had exclusively studied their personal interests they would have insisted on this large sum being distributed in dividends, which would have amounted to £3 per share. To their credit, however, they acquiesced in the Board's policy of utilising a large portion of the Company's profits in industries and farming, providing employment for a large number of human beings and furthering the interests of South Africa generally. (Applause.)

Mr. Kenneth Quinan, manager of our Explosives Works, who rendered valuable and distinguished services in England during the war, in erecting works, organising staffs, etc., for the manufacture of high-grade explosives (and for which he was commended and thanked

by the British Government), has consented to take charge and manage all the new works in connection with industrial development which we may decide to inaugurate. Under his capable guidance, and with the aid of his experience, we hope to establish new industries in association with our explosives and coal interests, which should find employment for many workers, and be of benefit to South Africa. Mr. Quinan has already secured the services of several highly qualified and experienced men as assistants, and the scheme is satisfactorily maturing. The success of the undertakings depends upon our ability to manufacture in competition with imports from overseas. We hope the high price of skilled labour in this country, which is a great factor in working costs, will not prevent the full development of the schemes we have in contemplation in conjunction with Mr. Quinan.

The question of establishing a cutting and polishing industry in this country has been ventilated and discussed for some years, but nothing has been done, even by the loudest and strongest of its advocates. Speaking for the Company, as producers having to find money for wages, mining supplies, railway rates, etc., we are compelled to sell our diamonds for immediate cash, and therefore cannot embark on an undertaking necessitating long-term credits as is customary in the polished trade. Moreover, we are far distant from the recognised markets for brilliants. We sell all our rough diamonds in Kimberley, cash against delivery, and it would be very risky if we ventured upon an industry that would deprive us of a portion of our ready money sales. It should also be remembered that the management of an up-to-date cutting factory requires a highly-qualified and experienced staff to properly and successfully supervise the work, which is very technical, and in the case of expensive and irregular shape stones, is of a most difficult and delicate nature. We are therefore not prepared to establish a cutting factory in connection with our mining operations. The producers of wool, whose industry is much older than ours, have not manufactured cloth; in fact, nearly all raw materials and ores grown or won in this country are exported to the best of the world's markets. We claim the same right to realise our product to the greatest advantage. We receive no consideration from the Government; on the contrary, our shareholders are more highly taxed than those interested in any other business or investment. Scarcely a year passes without extra burdens being placed on the diamond mines in the form of additional taxation; yet we are expected to establish and carry on a venture which may react detrimentally upon this company, although the demand for brilliants in this country does not amount to £100,000 per annum.

However, the company has decided to erect in Kimberley a cutting factory, equipped with electric power, containing one hundred mills. These will be let to approved persons on very reasonable terms to encourage them to cut and polish diamonds. I may inform you that the Diamond Syndicate is quite prepared to assist by influencing important manufacturers to transfer a portion of their work to South Africa. The difficulty of establishing polishing here is, however, increased by the reported action of the Guilds in Amsterdam and Antwerp, who have prohibited their members from working at their trade in South Africa, as they are anxious and appear determined to retain for their own country an industry which has existed there for centuries. Whether these difficulties can be overcome remains to be seen. Be that as it may, the opportunity for making brilliants here will be provided by De Beers. What the outcome will be is for the future to disclose. (Applause.)

Throughout the Union there is a great scarcity of dwelling houses, and the position is so acute that a large number of families are perforce separated. In this respect Kimberley is not so badly off as other large towns, owing in a measure to the existence of the village of Kenilworth, constructed by the Company for its employees; also to the fact that we have erected several houses in town for our officials, and that numerous houses are owned by employees themselves. During the war very few houses were built in Kimberley, and since the armistice very little has been done in this direction. Owing to the high cost of building materials and skilled labour, speculators have refrained from constructing houses, fearing that in a few years hence building will be cheaper and rents lower. This undoubtedly accounts for the present situation, and it demonstrates that the high cost of labour reacts upon the worker, whose rent is increased to compensate the landlord for this additional capital outlay. The Government appointed a Commission to inquire fully into this serious position, and that body has sat and taken evidence in the large towns of the Union. The Commission is bound to report a great shortage of dwellings, but the nature of the recommendations is not yet public property. It, however, appears perfectly plain that a scheme for the erection of a large number of houses at reasonable rents must be evolved, otherwise the present deplorable condition of affairs will be accentuated.

This serious question of housing has engaged the attention of the Board, and we feel that something of a practical nature must be done to relieve the situation as far as our mining employees are concerned. We have therefore decided to assist our workpeople to become their own landlords, and have evolved a scheme that will enable them to possess their own dwellings on a system of monthly payments, which will not exceed the rents that many are now paying for houses probably inferior to those that can be built with the company's financial assistance. (Applause.)

For example, a man may require from the company an advance, say, of £600 to enable him to build a house, the loan to be liquidated in 15 years. He will on that advance have to pay £4 14s. 11d. monthly, and at the end of the period he will own the property. In the event of a man requiring £800, the monthly payment will amount to £6 6s. 8d. The amount payable monthly will increase or decrease according to the sum borrowed and the period of liquidation. A table showing the monthly payments in accordance with the amount borrowed, ranging from £100 to £1,000, and spread over a period of five to 15 years, has been prepared, and will be available a week hence to employees on application, together with a statement of the conditions of the advances, which are very simple.

I cannot, with the time at my disposal, go fully into the details of the scheme which the Board has propounded for the comfort and well-being of the Company's employees, and for which they intend to set aside the sum of £100,000—(applause)—based on a return of 5 per cent. per annum, and may feel disposed at a later date to supplement that amount if it is found to be insufficient to enable our employees to take full advantage of the opportunity to become the owners of their dwelling houses. I feel sure they will appreciate the good intention of the directors and shareholders, who have always supported every proposal for the benefit of the company's workpeople. (Applause.)

While on this subject I may mention that the concessions and considerations we have made from time to time have not been exclusively confined to our employees, as will be apparent when I tell you that during 1908 and the recent war the remissions to standholders and tenants on our estate reached no less a sum than £42,139 4s. 5d., while the money grants to Kimberley for educational purposes during the year under review amounted to £15,779 12s. 3d. (Applause.)

Although there has been labour unrest throughout the world, greatly to the dislocation of big essential industries, causing immense financial loss to States, and inflicting on the majority of communities hardships, privations, and considerable suffering, this Company happily has experienced no labour troubles. That fact, and the cordial relations existing between the workpeople and ourselves, may be ascribed to our policy. We have not only gone with the times, but before the times, in granting annually 14 days' leave on full pay, compensating our employees for the additional cost of living by increasing their pay, paying them for the time lost during periods of depression, when the Company was not producing or when only working at a reduced scale, by reducing the hours of employment, and in granting £150,000 to soldier employees and their dependents, in addition to the half-pay allowed these men when on active service. (Hear, hear.) Considering what our men on war service went through, the sacrifices they made, and the bravery and gallantry displayed, the directors felt that the men who fortunately returned, and the dependents of those who fell during the course of many glorious battles, deserved some substantial recognition of their noble conduct and sacrifice. (Applause.) The sum that has been distributed is large, but I feel sure, gentlemen, that you will approve with both hands the conduct of the Board in marking their appreciation of the employees who voluntarily enlisted to fight for the Empire, regardless of death and the risks incidental to war. (Applause.)

Up to the 30th September of this year the casualties during the war among our employees totalled 244, 20 men having made the great sacrifice since the close of the financial year ended June 30th, 1918. To the relatives of these gallant men we tender our heartfelt sympathy.

The General Manager, staff, heads of departments and employees generally, who have as heretofore given their best services to the Company, are deserving of our warmest thanks. Owing to the epidemic causing loss of energy and efficiency, several months elapsed before normal work was resumed, and even to-day we are experiencing slight effects from the terrible scourge that visited Kimberley last year. During the absence of Mr. Alpheus Williams, Mr. Grimmer has carried out his duties to the entire satisfaction of the Board. (Applause.) I feel sure he would be the first to acknowledge the loyal assistance rendered him by every department of the Company. (Hear, hear.)

I now beg to move that the Directors' Report, the Balance-Sheet, and the Profit and Loss Account for the year ended the 30th June, 1919, be approved and adopted. (Applause.)

Mr. G. W. Compton, who seconded, said:—

Gentlemen,—We have again had the pleasure of listening to an annual speech by the Chairman of this meeting. He has placed the position of the Company before you in a clear and masterly manner, and it must be very gratifying to you to know that the Company is in such a sound and flourishing condition. I fully agree with all he has said, and have pleasure in seconding his motion for the adoption of the Directors' Report, Balance-Sheet and Profit and Loss Account for the financial year ended 30th of June, 1919. (Applause.)

The motion for the adoption of the Directors' Report and Balance-Sheet and Profit and Loss Account for the year ended June 30th, 1919, was carried unanimously.

The Chairman announced that in terms of clause 84, sub-section (c) of the Company's Articles of Association, three Directors retired, viz., Sir Carl Meyer, Bart., Achille Viallate and Henry Percy Rudd, but, being eligible, they offered themselves for re-election.

Mr. J. J. T. King moved that the three retiring Directors be re-elected Directors of the Company. Mr. T. R. English seconded, and it was carried.

The next business was the appointment of auditors.

Lieut.-Col. H. S. Harris moved that Messrs. Howard Pim & Hardy and Messrs. Salisbury & Beaton be appointed auditors for the ensuing year, the remuneration to be paid them to be fixed by the Directors. Mr. H. Rose-Innes seconded, and it was carried.

Mr. Colin W. Lawrence (Mayor of Kimberley) moved as follows: "That the Directors of the Company be paid full fees for the period of 22 months, i.e., from September, 1914, to June, 1916, both inclusive, during which period they agreed to accept reduced fees." The mover said: I am quite sure, Mr. Chairman, it needs very few words from me to commend this resolution to the shareholders of this meeting. I am confident that they will pass it unanimously. You will remember I proposed a similar resolution a year ago, but at the express wish of yourself and the other Directors, it was not put to the meeting, and I agreed to leave it over for a year. Now that the Company is in such a healthy financial condition, mainly due to the sound policy pursued by the Directors, I think they should have no compunction in accepting what they are entitled to, especially since they themselves have so generously refunded to the employees the difference between their reduced pay and the full wages for the same period, and have voted a further sum of £150,000 as a war gratuity to the soldier employees. The shareholders, I am sure, will recognise the excellent services the Directors have rendered to the Company, and the great responsibilities resting on them, and especially in such a critical period as that through which we have passed. I therefore have very great pleasure in proposing this resolution. (Applause.)

Mr. Arend Brink: I have very much pleasure in seconding the resolution so ably moved by my friend, Mr. Lawrence. I represent several important shareholders here. I have no mandate from them with regard to this particular question, because I have had no opportunity of consulting them. But from my point of view there is a distinct principle involved with regard to this question. In 1914, when war broke out, and the Directors were compelled by circumstances over which they had no control to close down the mines, and to place the employees of the Company on reduced pay for the time being, they, the Directors, themselves set an example by voluntarily, on their own initiative, reducing their own pay. (Hear, hear.) The shareholders have just adopted the Directors' report and statement of accounts, and in this Directors' report and statement of accounts appears an amount of £165,000, representing concession pay restored to the employees of the Company. In addition to that is a sum of £150,000 paid out as a war gratuity to soldier employees. The shareholders have voted that. Under these circumstances we can do no less than restore to the Directors the difference in their pay which they voluntarily on their own initiative agreed to forego during the period of depression. I feel sure, sir, this motion will meet with the approval of the shareholders I have the honour and privilege to represent here to-day, and it will commend itself to the shareholders as a whole. (Applause.)

Mr. Lawrence put the motion to the meeting, and it was carried unanimously.

The Chairman, in reply, said: Well, gentlemen, on behalf of my colleagues and myself, I must thank you not alone for voting our arrear fees, but for the very nice complimentary and friendly spirit in which both Mr. Lawrence and Mr. Brink moved this vote. On the last occasion, as you will remember, we did not feel disposed to accept our back pay. At that time I mentioned if the Company had a prosperous year, and you still felt liberally inclined, we should have no compunction perhaps in accepting the amount. I think I then said it might possibly be more acceptable a year hence, because the sovereign would have a greater purchasing power than it had last year. (Laughter.) I am sorry to say that the purchasing power of a sovereign to-day is less than it was last year, and therefore the amount will be much more acceptable now than it would have been on the last occasion. But, joking aside, we are very thankful to you, and what we value more than anything else is your confidence. (Applause.)

The Chairman announced that this closed the business of the meeting.

Mr. A. Westcott moved a vote of thanks to the Chairman for presiding.

Mr. W. H. Carter seconded, and the motion was unanimously agreed to.

The proceedings then terminated.

De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Thirty-Second Annual Report

For the year ending 30th June, 1920.

Directors:

SIR CARL MEYER, BART., **Deputy Chairman.**

F. BARING-GOULD.
L. BREITMEYER.
G. W. COMPTON.
P. ROSS FRAMES, C.M.G.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D., M.L.A.
F. HIRSCHHORN.
S. B. JOEL, J.P.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:

ALPHEUS F. WILLIAMS.

Assistant General Managers:

I. R. GRIMMER,
J. HARBOTTLE,
R. S. G. STOKES, D.S.O., O.B.E., M.C.

Mechanical Engineer:

J. LIDDELL.

Electrical Engineer:

R. W. SMITH.

Secretary:

E. F. RAYNHAM, D.S.O.

Assistant Secretary:

T. J. FORD, M.C., V.D.

Chief Accountant:

J. A. NEVILLE.

Assistant Accountant:

W. M. MILLER.

Diamond Valuator and Broker:

D. W. SMITH.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4.

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:

HAARHOFF, HERTOG AND LANGE, KIMBERLEY.
COWARD AND HAWKSLEY, SONS AND CHANCE, LONDON.

Auditors:

HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY AND BEATON, KIMBERLEY.

Bankers:

THE STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED, LONDON.

D.F.A., LTD., PRINTERS, KIMBERLEY

De Beers Consolidated Mines, Limited.

THIRTY-SECOND ANNUAL REPORT,

For the Year ending 30th June, 1920.

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DIRECTORS' REPORT.

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PROCEEDINGS OF GENERAL MEETING, 10th December, 1920.

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1920,

To be submitted to Shareholders at the Thirty-second Ordinary General Meeting to be held on the 10th December, 1920.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their Thirty-second Annual Report, Balance Sheet at 30th June, 1920, Profit and Loss Account for the year ended 30th June, 1920, and Appropriation Account, 30th June, 1920.

The balance undistributed at 30th June, 1919, was represented by—			
Suspense Profit Account—Diamonds unsold at that date	£422,761 19 3		
Balance unappropriated	466,267 11 4		
		£889,029 10 7	
During the year the Diamond Account amounted to—		£6,761,840 0 10	
Add to this the following:—			
Interest and Dividends on Investments after allowing for depreciation	£208,108 19 10		
Net Revenue from Rents	1,756 13 10		
Revenue from other sources	26,193 19 6		
		236,059 13 2	
		£7,886,929 4 7	
Deduct Expenditure as follows:—			
Mining Expenditure	£1,991,258 11 0		
Expenditure on Farms and Landed Property	18,162 14 7		
Charges:			
Donations, including £30,000 to the South African University, £10,000 to the Witwatersrand University, and £10,000 to the Jameson Memorial Fund	£146,329 19 3		
Exchange on Remittances	67,509 14 8		
Other Charges	228,465 1 7		
	442,304 15 6		
Interest on Debentures and on Capital of Leased Companies	166,309 18 2		
Sinking Fund towards Repayment of Debentures ...	78,803 14 11		
Expenditure consequent on the War and Concession Pay	36,394 3 3		
		2,733,233 17 5	
Leaving a Balance of		£5,153 695 7 2	
Which has been dealt with as follows:—			
Union of South Africa Income Tax—Amount set aside	£439,550 2 6		
Amount Appropriated for Stabiliment Reserve	382,069 12 11		
Dividends:—			
Preference Shareholders after deduction of Tax	£740,000 0 0		
Deferred Shareholders free of Tax ...	3,000,000 0 0	3,740,000 0 0	
		4,561,619 15 5	
Balance undistributed carried to next year:—			
Suspense Profit Account—Diamonds unsold 30th June, 1920	354,244 14 10		
Balance unappropriated	237,830 16 11		
		£592,075 11 9	

The stock of blue ground and lumps on the floors at 30th June, 1920, was as follows:—

De Beers Mine	...	...	...	...	48,396 loads.
Wesselton Mine	...	...	...	...	2,671,018 ,,
Bultfontein Mine	...	...	...	...	2,746,217 ,,
Dutoitspan Mine	...	...	...	...	3,029,927 ,,
					8,495,558 ,,

The General Reserve Fund now stands at £1,844,058 12s. 0d. The Fund to redeem the De Beers 4½ per cent. Exploration Debentures has been increased to £661,514 5s. 8d., both Funds being represented by securities which have been taken into the Accounts at market prices on 30th June, 1920.

The Special Reserve Fund for the Stability of the Diamond Trade has been increased from £1,975,325 8s. 4d. to £2,357,395 1s. 3d.

This Fund is invested in the shares of other Diamond Mining Companies and kindred interests, and is included in the £3,007,395 1s. 3d. shown on the Assets side of the Balance Sheet.

The Company has paid during the year to Preference Shareholders the usual dividend of 20s. per share, and to Deferred Shareholders 60s. per share.

During the year under review a Conference of Diamond Producers was convened by the Government and attended by representatives of this Company, the Premier (Transvaal) Diamond Mining Company, Ltd., the New Jagersfontein Mining and Exploration Company, Ltd., and the South-West Africa Protectorate, and as a result of that Conference an agreement has been entered into between those four large producers, under which the quantity of diamonds to be placed upon the market by them from time to time is regulated, each producer being allotted a certain quota of that trade. As a further result of the Conference, an agreement has been entered into between each of the four producers above-mentioned and the London Diamond Syndicate, under which all their diamonds are sold through that Syndicate. The satisfactory working of these agreements ensures the stability of the diamond trade, as is evidenced by the fact that, notwithstanding that there has recently been a lull in the demand for diamonds, prices have been maintained.

Diamond stocks, which in previous years were included in the accounts at cost of production, appear this year at a nominal figure (see Balance Sheet).

The Cape Explosives Works, Ltd., which is owned and controlled by your Company, has carried on its operations successfully during the year. The sales of explosives amounted to 428,448 cases.

Shareholders will remember that the Chairman at the last Annual Meeting stated in the course of his speech that the Company had decided to embark upon a policy of industrial expansion of their factory at Somerset West. In pursuance of that policy, it has been decided to erect at Somerset West a Fertiliser Factory which will be capable of pro-

ducing large quantities of various classes of fertilisers, and which it is hoped will place these essential commodities at reasonable prices within the reach of all agriculturists in the Union at an early date.

A report by the General Manager on the operations of the Company during the year will be submitted at the meeting.

In terms of clause 84, sub-section (c) of the Company's Articles of Association, three Directors retire, namely:—

Sir David Harris, K.C.M.G.,
George William Compton,
Francis Baring-Gould,

but being eligible they offer themselves for re-election.

G. W. COMPTON,
P. ROSS FRAMES,
D. HARRIS,
F. HIRSCHHORN,
W. PICKERING,
H. P. RUDD,
} Directors.

Kimberley,
8th September, 1920.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :				
800,000 Preference Shares @ £2 10s. 0d. each			2,000,000 0 0	
1,000,000 Deferred Shares @ £2 10s. 0d. each			2,500,000 0 0	
				4,500,000 0 0
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930				1,635,495 0 0
RESERVES (per Contra) :				
General Fund	1,844,058 12 0			
Redemption Fund : South African Exploration Debentures	661,514 5 8			
		2,505,572 17 8		
Blue Ground Stocks, 30th June, 1920, at cost ...		1,591,283 7 8		
Reserve for Stabiliment of the Diamond Trade ...		2,357,395 1 3		
			6,454,251 6 7	
LIABILITY ON STOCKS AND SHARES (per Contra)			650,000 0 0	
				7,104,251 6 7
CURRENT LIABILITIES :				
Loans and Open Accounts			970,989 18 10	
Unclaimed Dividends and Sundries			136,975 1 4	
Interest on Debentures accrued to date			34,958 14 1	
Commissioner for Inland Revenue, Union of South Africa : Estimated balance due in respect of Normal and Dividend Taxes for year ended 30th June, 1920			191,529 0 0	
Preference Shareholders : Dividend declared 22nd June, 1920			370,000 0 0	
Deferred Shareholders : Dividend declared 22nd June, 1920			1,500,000 0 0	
				3,204,452 14 3
SUSPENSE PROFIT ACCOUNT :				
Diamonds unsold at date (per contra)				354,244 14 10
BALANCE TRANSFERRED FROM APPROPRIATION ACCOUNT ...				237,830 16 11
CONTINGENT LIABILITY :				
£3 15/- per share uncalled on 79,000 shares in the South African Marine, Fire and General Insurance Company, Limited £296,250				
				£17,036,274 12 7

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 8th September, 1920.

MINES, LIMITED.

30TH JUNE, 1920.

PROPERTY :			
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,163,687 5 0		
Estates purchased from the London and South African Exploration Company, Limited	1,635,495 0 0		
Farms and other Landed Property	158,360 10 0		
Machinery, Permanent Works, Offices, Compounds and Stand Property	1 0 0	4,957,543	15 0
INVESTMENTS IN STOCKS AND SHARES		629,541	0 9
RESERVE INVESTMENTS AND INVESTMENTS FOR STABILIMENT OF THE DIAMOND TRADE (per contra) :			
Investments representing General and Debenture Redemption Funds per contra at Market Prices 30th June, 1920 ...	2,505,572 17 8		
Blue Ground on Floors :			
8,495,558 loads at cost deposited on Floors	1,591,283 7 8		
Investments in other Diamond Mining Companies and Kindred Interests (see Liability £650,000 per contra)	3,007,395 1 3	7,104,251	6 7
TIMBER, FUEL, AND OTHER MINING STORES		599,947	15 6
LIVE STOCK		247,879	13 7
ADVANCES TO SUBSIDIARY COMPANIES		229,375	4 7
DEBTORS, SPECIAL INVESTMENTS, BILLS, AND CASH :			
Open Accounts	201,715 4 8		
Short Loans against Security	118,316 1 5		
Special Investments at Market Prices 30th June, 1920 ...	2,448,025 6 5		
Cash at Bankers and in hand—Kimberley and London ...	145,434 9 3	2,913,491	1 9
DIAMONDS on hand (see Directors' Report)		354,244	14 10
		£17,036,274	12 7

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto, including the

HOWARD PIM & HARDY, }
SALISBURY & BEATON, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

To Mining Expenditure			1,991,258 11 0
,, Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway			18,162 14 7
,, Charges:			
Salaries, &c., Head Office		36,113 3 3	
General Charges		51,358 7 8	
Exchange on Remittances		67,509 14 8	
Legal Expenses		943 4 4	
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894, and also including the following:—£30,000 to the South Africau University, £10,000 to the Witwatersrand University, and £10,000 to the Jameson Memorial Fund		146,329 19 3	
Compensation		10,158 15 5	
Auditors' Fees		2,000 0 0	
London Transfer Office—Net Expenses		13,166 15 6	
Directors' Fees:			
Arrear Fees for period from 1st September, 1914, to 30th June, 1916	22,287 11 7		
Ordinary Fees	28,383 16 1		
Additional Fees in terms of Company's Articles of Association 84 (j) ...	25,000 0 0		
		75,671 7 8	
Annual Leave to Employees		29,717 3 9	
Provincial Companies Tax		9,336 4 0	
			442,304 15 6
,, Interest on Capital of Leased Companies			96,392 10 0
,, Interest on Debentures		73,597 5 6	
Less Union of South Africa Normal Tax, 1/- in the £ ...		3,679 17 4	
			69,917 8 2
,, Sinking Fund for Repayment of Debentures			78,803 14 11
,, Concession Pay:			
Restoration of full pay to Employees in respect of period during which they agreed to work for less than full pay ...			4.014 9 5
,, Expenditure Consequent on the War:			
Salaries and Wages of Employees on Active Service and Sundries			32,379 13 10
,, Balance carried to Appropriation Account			4,264,665 16 7
			£6,997,899 14 0

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1920. Cr.

By Diamond Account	...£6,761,840	0	10
„ Interest and Dividends on Investments after adjusting Reserve and Special Investments to Market Prices at 30th June, 1920	208,108	19	10
„ Net Revenue from Rents	1,756	13	10
„ Sundry Receipts	13,595	5	8
„ Transfer Fees	1 203	0	6
„ Profits Realized on Investments	11,395	13	4
	£6,997,899	14	0

DE BEERS CONSOLIDATED

APPROPRIATION

To Income Tax : Union of South Africa, Estimated Normal and Dividend Taxes					439,550 2 6
„ Reserve for Stabiliment of the Diamond Trade :					
Shares in other Diamond Mining Companies and Kindred Interests purchased during the year ended 30th June, 1920			182,069 12 11		
Amount paid off liability in respect of shares purchased prior to 30th June, 1917			200,000 0 0		
					382,069 12 11
„ Preference Dividend Account :					
10/- per share on 800,000 shares payable to Preference Shareholders registered at 31st December, 1919, in respect of six months ended 31st December, 1919 ...	400,000 0 0				
Less Union of South Africa Dividend Tax ...	30,000 0 0				
			370,000 0 0		
10/- per share on 800,000 shares payable to Preference Shareholders registered at 30th June, 1920, in respect of six months ended 30th June, 1920	400,000 0 0				
Less Union of South Africa Dividend Tax ...	30,000 0 0				
			370,000 0 0		
					740,000 0 0
„ Deferred Dividend Account :					
30/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 31st December, 1919			1,500,000 0 0		
30/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 30th June, 1920			1,500,000 0 0		
					3,000,000 0 0
„ Suspense Profit Account :					
Diamonds unsold at date					354,244 14 10
„ Balance, carried to Balance Sheet					237,830 16 11
					£5,153,695 7 2

Kimberley, 8th September, 1920.

MINES, LIMITED.

ACCOUNT, 30TH JUNE, 1920.

By Balance transferred from Profit and Loss Account ...	4,264,665	16 7
„ Balance unappropriated 30th June, 1919	466,267	11 4
„ Suspense Profit :		
Diamonds unsold 30th June, 1919, now written back ...	422,761	19 3
	£5,153,695	7 2

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

„ „ 2—DE BEERS MINE.

„ „ 3—WESSELTON MINE.

„ „ 4—BULTFONTEIN MINE.

„ „ 5—DUTOITSPAN MINE.

„ „ 6—TAILINGS.

„ „ 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost or Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s d.	s. d.	s d.	
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	901,818 0 5	1·283	19 8·75	25 3·75	9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525,386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2,435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525½	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

* These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8/5·29	693,482¾	38	47/9·24	18/1·83	1,033,060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0·67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1914	Nil.	75,815	6/7·34	27,346½	36	80/10·21	29/1·28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	—	—	—	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	—	—	—	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	—	—	—	48,396
June 30th, 1918	Nil.	Nil.	Nil.	206	—	—	—	48,396
June 30th, 1919	Nil.	Nil.	Nil.	94¼	—	—	—	48,396
June 30th, 1920	Nil.	Nil.	Nil.	35	—	—	—	48,396

KIMBERLEY MINE.

June 30th, 1917 ... . *76 cts. ... ... * Includes 9½ carats debris.
June 30th, 1918 ... ... 109¾ cts.
June 30th, 1919 ... ... 147½ cts.
June 30th, 1920 ... ... 207 cts.

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	·27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	·30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1,393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1,067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

[*Continued over.*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10·02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334	...	227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386
June 30th, 1918	2,065,620	1,805,436	4/10·94	487,828¼	27	54/9·76	14/9·59	3,012,570
June 30th, 1919	1,035,311	1,657,146	6/7·19	403,039¾	24	69/11·79	16/9·55	2,390,735
June 30th, 1920	1,927,178	1,646,895	8/4·97	401,531½	24	119/1·25	28/7·02	2,671,018

Owing to changes in working and accounting if has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19/2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4/4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11/9	3,138,321
June 30th, 1916	60,997	864,052	...	342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3/9·856	675,401¾	38	46/11	17/9·94	2,665,777
June 30th, 1918	2,328,615	1,859,531	3/11·61	646,927½	35	49/9·62	17/5·16	3,134,861
June 30th, 1919	1,262,942	1,629,198	5/6·39	507,858¾	31	63/5·38	19/8·03	2,768,605
June 30th, 1920	2,021,026	2,251,257	7/3·99	663,419¾	29	102/10·29	29/9·94	2,538,374

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.
*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904 Development.	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10·28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15/8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19/1·11	4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7·87	4,358,185
*June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6·25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597	...	20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	†377,571¼	19	106/11·93	20/3·94	2,411,618
June 30th, 1918	2,200,843	2,178,132	3/8·8	422,657¾	19	108/6·22	20/7·42	2,434,329
June 30th, 1919	1,389,883	1,066,465	4/9·39	180,983	17	139/9·77	23/9·22	2,757,747
June 30th, 1920	1,796,573	1,892,558	6/8·48	305,587	16	221/2·36	35/4·7	2,661,762

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended 8th August, 1914, owing to the war. †Includes 9 cts. debris.

TABLE No. 6.
TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced. £ s. d.
June 30th, 1901	265,239	50,147½	58,484 12 6
June 30th, 1902	1,151,816	202,830	251,870 12 3
June 30th, 1903	1,347,115	227,477	281,433 18 0
June 30th, 1904	1,881,090	399,065½	442,771 13 5
June 30th, 1905	1,616,030	257,059¾	311,030 7 2
June 30th, 1906	2,200,964	306,190¾	428,177 0 0
June 30th, 1907	4,370,221	557,897¼	800,273 5 0
June 30th, 1908	2,986,778	385,857	*a* 439,876 8 5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Was ed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3.956	411
June 30th, 1916	—	—
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.
KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—

*Productive operations suspended 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT.

To the Directors,

DE BEERS CONSOLIDATED MINES, LIMITED.

GENTLEMEN,

I beg to submit for your consideration my Report on the mining operations of the Company for the year ended 30th June, 1920.

DE BEERS MINE.

The mining of blue ground in this mine was suspended on the 31st July, 1908, and has not yet been resumed.

Development Work.—No development work was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 3,297 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

Output of Blue Ground.—No hoisting was done during the year.

Output of Reef and Blue Mixed.—No reef and blue mixed was hoisted during the year.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 3,520 foot level is estimated to be 2,000,000 loads.

Water.—The average quantity of water pumped from the mine was 6,967 gallons per hour.

Development Work.—No development work was done during the year.

The depth of the Main Rock Shaft is 3,601 feet.

The depth of the Atkins Shaft is 1,009 feet.

The average depth of the Open Mine is 1,200 feet from the surface, and 897 feet from the top of the hard rock. The deepest point is 1,300 feet from the surface.

KIMBERLEY FLOORS.

No blue ground was washed during the year.

No reef and blue mixed was washed during the year, and the stock remains at 571,176 loads.

WESSELTON MINE.

Output of Blue Ground.—The output of blue ground was 1,927,178 loads, as follows:—

620	foot level	27,950 loads.
660	,, ,,	117,811 ,,
700	,, ,,	171,501 ,,
740	,, ,,	232,931 ,,
780	,, ,,	314,121 ,,
820	,, ,,	397,208 ,,
860	,, ,,	412,086 ,,
900	,, ,,	213,595 ,,
940	,, ,,	9,586 ,,
980	,, ,,	233 ,,
1,050	,, ,,	7,668 ,,
1,100	,, ,,	343 ,,
1,150	,, ,,	4,635 ,,
1,250	,, ,,	5,443 ,,
1,400	,, ,,	3,339 ,,
1,450	,, ,,	7 ,,
1,500	,, ,,	5,014 ,,
1,600	,, ,,	3,707 ,,
Total		1,927,178 loads.

112,544 loads of reef or waste ground were also hoisted.

Hoisting was done from the 980 foot level.

The cost of mining and depositing was 5s. 9.18d. per load, as against 4s. 11.13d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 8,500,000 loads. It is estimated that between the 980 foot level and the 1,550 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 41,840 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	14,075 feet.
Tunnels driven in blue ground	28,406 ,,
Passes sunk in rock	1,478 ,,
Passes sunk in blue ground	488 ,,
Passes sunk in reef	68 ,,
Excavations—Rock	20,096 cubic feet.

The depth of No. 1 Main Rock Shaft is 1,119 feet.

The depth of No. 2 Main Rock Shaft is 1,667 feet.

Mud Rush.—A mud rush occurred on the 25th September, 1919, on the south-east corner of the 820 foot level, filling 500 feet of tunnels.

The mud pushed out just at the change of shifts, and at first it was thought that all the natives working in this vicinity had escaped, but on checking the native compound population, it was found that 14 were missing.

Measures were promptly taken to rescue the imprisoned natives, and after strenuous efforts, with imminent and continuous risk to their lives, the mine staff rescued two of the boys on the evening of the 26th. Unfortunately the other 12 natives had been killed by the first rush of mud.

I would like to express my appreciation of the courage shown, both by the white men and natives, who shared the risks and hardships of the rescue work under most trying circumstances.

WESSELTON FLOORS.

The stock of blue ground at the end of last year was 2,390,735 loads; 1,927,178 loads were deposited, and 1,646,895 loads were washed, leaving a balance of 2,671,018 loads.

The cost of washing was 2s. 7.79d. per load, as against 1s. 8.06d. for the previous year.

The average cost of mining and washing was 8s. 4.97d. per load, as against 6s. 7.19d. for the previous year.

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 2,021,026 loads, as follows:—

760	foot level	147,057 loads.
800	,, ,,	363,231 ,,
840	,, ,,	360,916 ,,
880	,, ,,	286,237 ,,
920	,, ,,	498,316 ,,
960	,, ,,	350,103 ,,
1,000	,, ,,	8,254 ,,
1,050	,, ,,	3,258 ,,
1,150	,, ,,	20 ,,
1,250	,, ,,	51 ,,
1,350	,, ,,	51 ,,
1,450	,, ,,	298 ,,
1,550	,, ,,	398 ,,
1,600	,, ,,	2,836 ,,
Total		2,021,026 loads.

40,859 loads of reef or waste ground were also hoisted.

Hoisting was done from the 1,000 foot level.

The cost of mining and depositing was 4s. 0.72d. per load, as against 3s. 3.31d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 5,000,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 19,326 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	5,441 feet.
Tunnels driven in blue ground	18,612 ,,
Passes sunk in rock	433 ,,
Passes sunk in blue ground	682 ,,
Excavations—Rock	1,800 cubic feet.

At the 72 foot level, water tunnels to the extent of 1,052 feet have been driven during the year.

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

BULTFONTEIN FLOORS.

The stock of blue ground at the end of last year was 2,768,605 loads; 2,021,026 loads were deposited, and 2,251,257 loads were washed—of which 85,785 loads were returned to stock as lumps—leaving a balance of 2,538,374 loads.

The stock of cylinder lumps at the end of last year was 122,058 loads; 85,785 loads were deposited, leaving a balance of 207,843 loads.

The cost of washing was 3s. 3.27d. per load, as against 2s. 3.08d.. for the previous year.

The average cost of mining and washing was 7s. 3.99d. per load, as against 5s. 6.39d. for the previous year.

Crushing Plant.—During the year a new crushing plant was erected for treating the ground direct from the Mine, without flooring.

The plant consists of 2 No. 9 "K" Gates' crushers which were formerly at Voorspoed Mine, 8 No. 6 "K" Gates' crushers, tray and belt conveyors, together with necessary haulage gears. The whole of the plant is electrically driven, and is capable of dealing with 1,000 loads of ground per hour.

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 1,796,573 loads, as follows:—

470 foot level	30,858	loads.
510 ,, ,, ...	100,141	,,
550 ,, ,, ...	482,452	,,
590 ,, ,, ...	529,267	,,
630 ,, ,, ...	587,142	,,
670 ,, ,, ...	63,959	,,
710 ,, ,, ...	375	,,
750 ,, ,, ...	2,379	,,
Total	1,796,573	loads.

33,090 loads of reef or waste ground were also hoisted.

Hoisting was done from the 750 foot level.

The cost of mining and depositing was 4s. 4.39d. per load, as against 3s. 0.52d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 10,500,000 loads. It is estimated that between the 750 foot level and the 1,300 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 5,786 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	4,176 feet.
Tunnels driven in blue ground	22,982 ,,
Passes sunk in rock and reef	1,038 ,,
Passes sunk in blue ground	1,360 ,,
Excavations—Rock ... ..., ...	336 cubic feet.

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

The stock of blue ground at the end of last year was 2,757,747 loads; 1,796,573 loads were deposited, and 1,892,558 loads were washed—of which 1,530 loads were returned to stock as lumps—leaving a balance of 2,661,762 loads.

The stock of cylinder lumps at the end of last year was 366,635 loads; 1,530 loads were deposited, leaving a balance of 368,165 loads.

The cost of washing was 2s. 4.09d. per load; as against 1s. 8.87d. for the previous year.

The average cost of mining and washing was 6s. 8.48d. per load, as against 4s. 9.39d. for the previous year.

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Year ended 30th June, 1920.	Year ended 30th June, 1919.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	1,927,178	1,035,311
Bultfontein Mine	2,021,026	1,262,942
Dutoitspan Mine	1,796,573	1,389,883
Total	5,744,777	3,688,136

LOADS BLUE GROUND WASHED.

	Year ended 30th June, 1920.	Year ended 30th June, 1919.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	1,646,895	1,657,146
Bultfontein Mine	2,251,257	1,629,198
Dutoitspan Mine	1,892,558	1,066,465
Total	5,790,710	4,352,809

STOCKS—LOADS.

	BLUE.		LUMPS.		TOTAL.	
	30th June, 1920.	30th June, 1919.	30th June, 1920.	30th June, 1919.	30th June, 1920.	30th June, 1919.
De Beers Mine	48,396	48,396	—	—	48,396	48,396
Kimberley Mine	—	—	—	—	—	—
Wesselton Mine	2,671,018	2,390,735	—	—	2,671,018	2,390,735
Bultfontein Mine	2,538,374	2,768,605	207,843	122,058	2,746,217	2,890,663
Dutoitspan Mine	2,661,762	2,757,747	368,165	366,635	3,029,927	3,124,382
Total	7,919,550	7,965,483	576,008	488,693	8,495,558	8,454,176

REEF AND BLUE MIXED.

	30th June, 1920.	30th June, 1919.
Kimberley Mine	571,176	571,176

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Year ended 30th June, 1920.	Year ended 30th June, 1919.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	.24 ct.	.24 ct.
Bultfontein Mine	.29 ct.	.31 ct.
Dutoitspan Mine	.16 ct.	.17 ct.

GENERAL REMARKS.

Costs.—The working costs are, as expected, higher than they have ever been, and this is due to the higher wages and increased cost of stores and machinery, together with the shorter working hours. The expenditure on underground development has been heavier than for the previous year, whilst the installing of the new crushing plant at Bultfontein Floors and the extending of the electric tramway to different parts of the Works, have also materially contributed towards these increased costs.

Tramways.—The Tramways have been well patronized by the general public. In addition to the Company's employees, who travel free of charge, and school children and shop assistants, who are conveyed at reduced fares, 4,245,097 passengers were carried during the year, as against 3,668,538 for the previous year.

The Tramway System was extended during the year to the Convict Station, Construction Yard, Bultfontein Floors, Bultfontein Mine Compound, Wesselton Floors, Central Power Station, Brickyard, Stamp Battery, New Hospital site and No. 2 Shaft, Wesselton Mine.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 1,244,924 units, as against 1,051,532 for the previous year.

Central Power Station.—On Monday, 24th May, an accident occurred to the 4,000 K.W. Turbo-Generator at the Central Power Station, the electrical end of the machine being totally wrecked. One portion of the damaged unit weighing 20 tons was forcibly dragged along the bedplate for a distance of two feet. The speed at which the machine was run was 1,500 revolutions per minute, and the centrifugal and other forces acting on the set were so terrific that all evidence of the origin of the trouble was obliterated.

The electrical supply was for a short time cut off from the Mines and Town in consequence of the accident.

The workmen were exposed to great danger from pieces of flying metal, but fortunately no one was injured.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 18.81 inches, as compared with 15.87 inches for the previous year.

The rainfall for the last seven years was as follows:—

Year ended 30th June,				1914	...	10.82	inches.
,,	,,	,,	,,	1915	...	17.10	,,
,,	,,	,,	,,	1916	...	11.56	,,
,,	,,	,,	,,	1917	...	12.23	,,
,,	,,	,,	,,	1918	...	13.77	,,
,,	,,	,,	,,	1919	...	15.87	,,
,,	,,	,,	,,	1920	...	18.81	,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1920, was approximately 653,750,000 gallons, as compared with approximately 34,080,000 gallons on the 30th June, 1919.

Owing to the severe drought the Pan became dry twice during the year, and there was no water available therefrom for washing purposes, between the 31st July and 20th November, 1919, and between the 11th December, 1919, and 29th January, 1920.

In order to supply washing requirements during these months we had to augment our mine water with about 181,000,000 gallons of Vaal River water.

Appointments.—Mr. Arend Brink, who was for a great many years the Company's Diamond Valuator, recently resigned to take up an important position with the Union Government, and Mr. D. W. Smith has been appointed Diamond Valuator in his stead.

Colonel R. S. G. Stokes, D.S.O., O.B.E., M.C., was appointed Assistant General Manager, Mining Department, on the 1st May, in place of Mr. H. T. Dickinson, who has left us to take up an important appointment with the Cape Explosives Works, Ltd.

Leave of Absence.—During my absence on leave in Europe and America, the Assistant General Manager, Mr. I. R. Grimmer, acted in my stead, and I have pleasure in testifying to the able manner in which all work was carried out.

Rates of Pay.—It was found necessary to make increases in the rates of pay of Europeans as from 1st September, 1919, and the rates were further advanced on 1st January, 1920, to figures corresponding with the increased cost of living.

The wages of natives have also been raised to correspond with the increased cost of living.

Employees.—The number of white employees at 30th June, 1920, was 2,696 men and 324 lads, as compared with 2,537 men and 281 lads at 30th June, 1919.

The number of natives employed at 30th June, 1920, was 13,781, as compared with 13,083 at 30th June, 1919.

Native Labour.—The native labour required by the Company was practically supplied by natives voluntarily presenting themselves at the Compounds.

THE WAR.

Monday and Tuesday, 4th and 5th August, 1919, were observed as holidays throughout the Company's works in connection with the Peace Celebrations.

The expenditure to 30th June, 1920, in respect to pay allowed to employees on Active Service since the commencement of the War was as follows:—

	Year ended 30th June, 1915.	Year ended 30th June, 1916.	Year ended 30th June, 1917.	Year ended 30th June, 1918.	Year ended 30th June, 1919.	Year ended 30th June, 1920.	Total.
Oversea Forces ...	...	£18,805 19 9	£26,453 18 1	£34,028 3 7	£35,091 0 1	£3,498 11 3	£117,877 12 9
Union Military Forces	£67,854 10 3	50,534 4 2	10,936 13 2	5,323 0 11	3,388 9 4	171 17 2	138,208 15 0
War Bonus to Employees on Active Service ...	...	...	4,029 12 8	11,341 2 6	13,670 14 6	1,346 0 8	30,387 10 4
Gratuity to Soldier Employees ...	...	...	...	...	150,000 0 0	2,291 4 11	152,291 4 11
	£67,854 10 3	£69,340 3 11	£41,420 3 11	£50,692 7 0	£202,150 3 11	£7,307 14 0	£438,765 3 0

A few employees have been retained by the Military for special duty, and owing to wounds a few have not yet been able to resume work.

CASUALTIES—EMPLOYEES.

In addition to the list of casualties published in my last year's report, I regret to have to record the undermentioned three deaths:—

Pte. E. J. Croft, of Kimberley Floors—Oversea Infantry—died in Richmond Hospital, 23rd December, 1919, of wounds received in action in France on 21st March, 1918.

Sapper J. T. Mack, of the Workshops—Miscellaneous Trades Corps—died on the 7th December, 1919, of disease contracted whilst on Active Service in Europe.

Sapper J. C. Stranger, of the Workshops—Royal Engineers—killed in action in France, 22nd October, 1917. (Notification was received from Plymouth on 27th January, 1920.)

The following is a summary of the total casualties in connection with the War:—

Killed and Died.	Wounded and Prisoners of War.	Total.
101	145	246

In conclusion, I beg to thank the Directors of the Company, the various heads of departments, and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

Kimberley,
1st October, 1920.

De Beers Consolidated Mines, Limited.

Extraordinary General Meeting.

AMENDMENT OF ARTICLES OF ASSOCIATION.

An extraordinary general meeting of shareholders of De Beers Consolidated Mines, Limited, was held at the head office of the Company in Kimberley, on Friday, 25th June, 1920, at 11 a.m., for the purpose of submitting a resolution amending the Company's Articles of Association.

Mr. G. W. Compton presided, and there were also present: Mr. W. Pickering, D.S.O., Mr. H. P. Rudd, Mr. T. Rowe English, Mr. B. Hawke, Mr. H. E. Clark, M.B.E. (q.q. Mr. E. Oppenheimer), Mr. H. Rose-Innes, Lieut-Col. H. S. Harris, C.B.E. (q.q. Messrs. Barnato Brothers and Sir David Harris, K.C.M.G.), Mr. Abraham Hyam, Mr. J. J. T. King (q.q. Mr. D. van Ulsen, Mrs. J. McCullagh, estate late C. A. E. H. Meyer, and estate late R. McFarland), Mr. A. Westcott (and q.q. Mr. F. Hirschhorn), Mr. J. M. Powell, Mr. C. E. Hertog (the Company's Solicitor), and Mr. E. F. Raynham (Secretary).

Mr. G. W. Compton held proxies representing 65,494 shares; Mr. W. Pickering held proxies representing 23,345 shares; Lieut.-Col. H. S. Harris held proxies representing 129,999 shares.

The Secretary read the notice convening the meeting, which embodied the terms of the proposed amendment.

Mr. Compton then submitted the motion, and in doing so, said:

Gentlemen,—There is little that I can add to the resolution I am about to submit to you, and which has been advertised for some time past. The Board of Directors are asking the shareholders to increase their fees, which they consider are not commensurate with the services they render to the Company. The proposed increase, however, is dependent upon the price of our product, and, as the advertisement states, will only come into operation after Deferred shareholders have received in dividends in any one year an amount equal to the paid up capital of their holding. I therefore propose:

"That the Articles of Association of the Company be altered by the addition of a sub-section to be called (j) to article 84, to read as follows: As additional remuneration to that provided for in sub-section (i) of article 84, as from July 1st, 1919, the Directors shall receive in each year by way of further remuneration a sum equal to 5 per centum of the dividends on Deferred shares declared and paid in respect of each year in excess of a dividend or dividends on Deferred shares equal to the total sum of the paid up capital of the said Deferred shares. The said additional remuneration shall be divided among the Directors in such manner as they or a majority of them may decide."

The motion was seconded by Mr. T. Rowe English, and was carried unanimously.

Mr. Compton, on behalf of his co-Directors and himself, thanked the shareholders for the confidence they had shown in the Board by adopting the resolution, and also thanked those present for their attendance.

The proceedings then terminated.

De Beers Consolidated Mines, Limited.

Thirty-Second Ordinary General Meeting.

The Thirty-second Ordinary General Meeting of the Shareholders of De Beers Consolidated Mines, Limited, was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, December 10th, 1920. Sir Carl Meyer, Bart., Deputy Chairman of the Company, presided, and the shareholders present were: Mr. G. W. Compton, Mr. P. Ross Frames, C.M.G. (and q.q. G. C. Fitzpatrick), Mr. W. Pickering, D.S.O. (and q.q. Andrew Gloag), Mr. F. Hirschhorn, Mr. Alpheus F. Williams, Lieut.-Colonel H. S. Harris, C.B.E. (and q.q. Colonel Sir D. Harris, K.C.M.G., and Messrs. Barnato Bros.), Mr. W. H. Carter (and q.q. Mr. J. R. P. Carter), Mr. C. E. Hertog (q.q. Mrs. Emily Shilling), Mr. H. O. L. Stack (q.q. Mr. E. Oppenheimer), Mr. J. J. T. King (q.q. Mr. Arend Brink, Mr. D. van Ulsen, Mrs. J. McCullagh, Mrs. R. McFarland, estate late C. A. E. H. Meyer, and estate late A. Kiddie), Mr. B. Hawke, Mr. W. S. Whitworth, Mr. Alex. S. Gibson, Mr. H. J. Saunders, Mr. L. C. Breitmeyer, Mr. H. J. Joel, Mr. A. Westcott, Mr. Geo. R. Benford, Mr. E. W. Weatherby, Mr. H. Rose-Innes, Mr. S. B. Peiser, Mr. T. Rowe English, Mr. H. Eckstein, Mr. Joseph Buck, Mr. E. S. Passmore, Mr. W. M. Miller, and Mr. E. F. Raynham, D.S.O. (Secretary).

Sir Carl Meyer, Bart,, held proxies representing 42,656 shares.

Mr. F. Hirschhorn held proxies representing 49,130 shares.

Mr. G. W. Compton held proxies representing 5,320 shares.

Lieut.-Colonel H. S. Harris held proxies representing 137,094 shares.

The Secretary read the notice convening the meeting, and afterwards the minutes of the last Annual Meeting, held on December 5th, 1919, which were confirmed.

The Secretary laid on the table a list of registered Deferred Shareholders.

Mr. B. Hawke proposed that as the Directors' Report and Statement of Accounts had been circulated amongst shareholders, they be taken as read.

This was seconded by Mr. E. W. Weatherby, and carried.

Sir Carl Meyer, Bart., then rose to move the adoption of the Report of the Directors, Balance Sheet, and Profit and Loss Account, and was received with applause. He said: Well, gentlemen, my colleagues have done me the honour of inviting me to preside at this meeting, and I am doing so with all the more pleasure because it is the first time during my very long connection with this Company that the privilege has been afforded me of meeting the shareholders directly. In accordance with the long established custom, I propose to preface my remarks with some reference to the accounts. These have been in your hands for the last few days, and you will, no doubt, have seen from them that the past year has been a very successful one for the Company. There have been no changes in Capital Account and Debenture Debt since last year, but there have been some alterations in our Reserve Funds.

During the year the General Fund has been reduced from £2,147,000 to £1,844,000 owing to an amount of £300,000 having been transferred to Blue Ground Reserves in order to maintain the stocks of blue ground at approximately last year's figures, i.e., 8,500,000 loads. The general increase in the cost of commodities required to carry on our mining operations accounts for this extra expenditure.

The Reserve for the Stabiliment of the Diamond Trade has been increased from £1,975,000 to £2,357,000 by investing during the year further sums totalling £380,000. Not only do these investments give the Company more power to stabilize the industry, but they also give a good annual return which materially supplements the Company's income.

The Debenture Redemption Fund has been augmented during the year to the extent of £82,500, increasing this reserve from £579,000 to £661,500, represented by gilt-edged securities on the assets side of the Balance Sheet. At this rate of increase we shall have a sufficient amount available to pay off the debenture debt of £1,635,495 by the 1st January, 1930, and meanwhile the accumulating fund is bringing in a substantial return annually to the shareholders.

Our current liabilities amounted to £3,204,000, which figure includes the Preference and Deferred dividends, amounting to £1,870,000, and also £191,000, being balance of Normal and Dividend taxes due in respect of the year in question after paying £248,500 on account of Dividend Tax payable at or about the time dividends are declared. I will refer to the question of taxation later, when dealing with the Appropriation Account.

The item, Suspense Profit Account, £354,000, represents the Company's diamond stocks unsold at the 30th June, 1920, but this figure is only nominal. After the most careful consideration, your Directors are of opinion—and effect has been given to this opinion in the accounts now before you—that until diamonds are actually sold they cannot be defined as income, any more than development in the mine. This sound economic view applies even more strongly to diamonds produced in excess of the quantity expressly allowed to be sold under the agreements now existing between the four big producers. Therefore, in pursuance of this policy, only diamonds actually sold during any financial year will, in future, be deemed to be income arising from our mining operations. (Hear, hear.)

Turning to the credit side of the Balance Sheet, it will be observed that there are ample liquid assets to cover the current liabilities and reserve funds before mentioned.

I will now refer to the Profit and Loss Account. The mining expenditure for the year totalled £1,991,000, which figure includes expenditure incurred at De Beers and Kimberley Mines. The cost per load of mining and washing has unavoidably gone up, chiefly owing to increased wages and the increased cost of all mining commodities. Reference to the General Manager's Report and the statistical tables to be published with the Annual Report will enable shareholders to make their own comparisons of the figures of previous years with this year.

I will now just touch on the outstanding differences in the other headings of expenditure compared with the corresponding headings of last year: Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway this year amounts to £18,000, as compared with £78,000 the previous year; this decrease of £60,000 is, however, more apparent than real, because the heavy capital expenditure on that portion of the electric railway laid in the Company's mining area has this year been allocated to mining expenditure, whilst last year the corresponding expenditure was charged to the electric railway.

Our farming operations have this year shown a substantial profit, the bulk of which arises from our ranching operations in Rhodesia, thus materially assisting in the reduction of £60,000 I have just referred to. (Applause.)

The heading of Charges embraces one or two headings of expenditure on which I desire to comment: Exchange on remittances, £67,500, is an unfamiliar heading in our accounts, and is the result of the acute exchange position, which has left no country untouched. (Hear, hear.) I have also to draw attention to the Donations, Relief, etc., voted during the year, amounting to £146,000, approximately made up as follows:—

Educational, Schools, Museums, and Libraries	£57,000
Hospitals, Charitable Institutions, and Municipality	24,000
Sport and Recreation Clubs	10,000
General Relief	40,000
Sundry Donations	15,000
	£146,000

(Applause.)

Annual leave to employees cost the Company very nearly £30,000. The three fixed annual charges for interest on capital of leased companies, interest on debentures, and the annual contribution for repayment of debentures, absorb an amount of £245,000.

I will now deal with the credit side of the Profit and Loss Account. In spite of taking our diamond stocks in at a nominal figure (instead of cost of production as heretofore), the Diamond Account this year exceeds last year's figure by the sum of over £900,000, this being the largest amount realised from the sale of diamonds in any one year. (Applause.)

The income arising under the heading Interest and Dividends on Investments, etc., amounted to £208,000, and shows a decrease compared with last year of about £124,000, owing to the necessity of writing down our investments and applying the amount so written off in reduction of the income actually received. As is generally

known, there has been a general fall in the market values of all Government securities, chiefly owing to the entry into the financial arena of most attractive issues of capital by first-class industrial undertakings.

The Appropriation Account shows that the Income Tax for the year, imposed by the Government of the Union of South Africa, amounts to the big figure of £439,500, and this is quite exclusive of Export Duty, amounting to £679,000, and paid indirectly by deduction from the price the Company gets when selling its product. You will observe from the Appropriation Account that of the £382,000 charged in respect of the Stabilisment Reserve Account, £182,000 has been used in purchasing shares in other diamond mining companies, and the balance of £200,000 is on account of shares purchased prior to 30th June, 1917, leaving a liability of £650,000 still to be met, as shown in the Balance Sheet. I think I have now dealt with the salient features of the accounts. (Applause.)

Shareholders will see, on reference to the report, that during the year under review a conference of diamond producers was convened by the Government, as a result of which an agreement has been entered into between the four large producers, with the object of regulating the quantity of diamonds to be placed upon the market from time to time; and a further agreement has been entered into between those producers and the Diamond Syndicate, under which all their diamonds are sold through that Syndicate. (Applause.) The Chairman at the last Annual Meeting dealt at some length with this matter, and gave shareholders full information as to the nature of these agreements, and there is, therefore, no need for me now to enlarge upon the subject.

With regard to the future outlook of the diamond trade, as is mentioned in the Report, there has, since the close of the financial year, been a lull in the demand for diamonds, and sales have fallen off considerably. Judging from past experience, however, we were bound to expect some reaction after the prolonged period of prosperity through which we have passed. Confidence in the ability of the large producers and the Syndicate to maintain prices is unimpaired, and we fully anticipate shortly to see a revival in the demand for diamonds. (Applause.)

Naturally the falling off in diamond sales will result in a reduction in Deferred dividends for the time being.

The Union Government is very largely interested in the prosperity of the diamond industry, and any depression in the markets must be immediately reflected in a decrease in the Government's income. It therefore follows that the country will be faced during the coming year with a considerable reduction in revenue from this source.

Hitherto in the treatment of our blue ground we have followed the old flooring system, under which the ground was deposited on cleared spaces and left to weather for periods of nine to eighteen months, at the end of which time it had pulverised and was ready for treatment at the washing machine. This system involved the carrying of enormous stocks of blue ground, with, of course, the locking up of much capital.

These disadvantages do not occur in a direct treatment system, and for some years its adoption has been under consideration, but for various reasons no decision was arrived at until July last. It was then felt that a decision should not be delayed, seeing that with the increasing depths of the mines our blue ground was becoming harder and harder, and

therefore required longer time to pulverise, which in turn meant the locking up of a larger amount of capital.

The flooring system entails the carrying of a stock of blue ground of about 10,000,000 loads, but with the direct treatment system the reserve need not exceed 3,000,000 loads, which would be ample to meet our washing requirements during the longest time the mines could be closed down through any disaster.

In anticipation of direct treatment, and in view of the large stock of diamonds we hold, it was decided to reduce all operations by about 50 per cent. as from 1st September, 1920, and to deposit the output from the mines on dumps in readiness for direct treatment. The reduction in operations rendered it impossible to retain the services of our whole staff of employees, but to prevent hardship as much as possible it was intimated that the Company was prepared to pay £100 (£50 if under 18 years of age) to each employee who resigned, and for whom no work could be found—preference to be given as far as work was concerned to the older hands.

During the war a large number of the Company's employees joined the Forces, and it was necessary to replace them temporarily—some 800 new men being engaged on the clear understanding that their engagement was temporary, and that they would have to go when the soldier employees returned. Owing to the extent of the operations at the close of the war, these temporary hands were not discharged, but, curtailment of operations being decided upon, it was thought that the offer of the £100 would appeal to a great many of them, who came from neighbouring farms, to which they could return, and that, therefore, work would be available here for those who could not obtain employment elsewhere, and this expectation has, to a great extent, been realised. About 500 employees availed themselves of the offer.

The number of Europeans (men and lads) on the Company's books at 1st July, 1920, was 2,756, and at 1st December, 1920, 2,270—a reduction of 486, and the corresponding figures for the natives are 13,426, 8,255 and 5,171. The reduction in expenditure for wages and stores due to the curtailment of operations is about £50,000 a month, and further considerable savings will be effected in about 18 months' time, when direct treatment will be in operation throughout the Company's works. A direct treatment plant for Bultfontein ground has been completed, and will be started up at the end of March, 1921, and plants for Dutoitspan and Wesselton ground are under construction, and will be completed in about 18 months.

During the year, every question that has arisen between the Company and its employees has been dealt with and settled in a friendly and conciliatory spirit. Like other employers, we have had to make substantial increases in salaries and wages to meet the increased cost of living. We have at all times endeavoured to anticipate the just claims of our employees, between whom and the management the relations are most cordial. (Applause.)

Referring to the speech of the Chairman at the last annual meeting, I may inform you that the Company's building scheme has been taken advantage of by 27 employees, who have borrowed an amount totalling £23,624, and have built their own houses under the Company's scheme. (Applause.)

The South African Collieries, Limited, near Glencoe, Natal, in which we are largely interested, has developed very satisfactorily, and is an assured success. (Applause.) The Company is even now earning profits, and having sold its output of coal for the coming year at enhanced prices, it should, with ordinary good fortune, pay off its indebtedness to this Company within a comparatively short time. (Applause.)

During the year under review we sold by public auction at the Company's Ranch, Shangani, cattle which realised £11,888, and since the close of the last financial year we have held another sale of cattle, which realised £21,574. It will be a satisfaction to shareholders to know that this branch of the Company's business is more than paying expenses, and as the position must be improved as time goes on, we confidently look forward to substantial success in the future. (Applause.) I may say, for the information of shareholders, that the stock on the Ranch at the present time has been valued at £127,272, which is a very conservative value.

Reference was made by the Chairman at the last annual meeting to the widespread agitation for industrial development within the Union, and shareholders were then informed that it was the intention of the Company to embark upon a policy of industrial expansion of the Cape Explosives Works under the guidance of Mr. Kenneth B. Quinan. I am pleased to report that during the year the Company commenced the erection of a Fertiliser Factory at Somerset West—(applause)—which, as mentioned in the report, will be capable of producing large quantities of various classes of fertilisers, and which it is hoped will place these essential commodities at reasonable prices within the reach of all agriculturists in South Africa at an early date. (Applause.)

The Company has for many years given its support to a number of industrial enterprises in South Africa, and paid for these ventures out of profits, having abstained from increasing its bonded debt or share capital, as we might well have done, if we had followed the example of every other industrial undertaking, either in South Africa or in other parts of the world. (Hear, hear.) We consider that the time has arrived when these investments, most of which are now on a paying basis, should be capitalised and form the nucleus of a separate company. We are at present studying the most practical way in which De Beers shareholders can reap the benefit of the prospective future success of these various enterprises, and when our plans are further advanced we reserve to ourselves a more definite announcement. (Applause.)

This Company has, in order to show its practical sympathy with land settlement, purchased a block of land falling under the Cape Sundays River Settlements, Limited, and a sum of £50,000 has been set aside for this purpose, on which we shall receive interest at the rate of 5 per cent. per annum. It is not pretended that this is a brilliant business transaction, but it has been entered into willingly in order to promote land settlement. (Applause.)

Shareholders will have read paragraphs in the newspapers during the last few months stating that the Nobel Explosives Company, of Hamburg, had acquired from a German chemist a patent for manufacturing diamonds. As you know, these reports crop up from time to time, and at least in one famous case have been proved to be an absolute fraud. We are not in a position to say whether the present attempt falls under this category, but it is at least significant that according to the latest cables the German company

has indignantly repudiated all connection with the supposed invention. Your Directors do not attribute any importance to the so-called discovery. (Applause.)

That, gentlemen, is all I have to say concerning the affairs of the Company, but before concluding my remarks I should like to place on record the Board's hearty appreciation of the services of the General Manager, staff, and employees during the past year. (Applause.)

I now beg to move that the Directors' Report, Balance Sheet and Profit and Loss Account for the year ended 30th June, 1920, be approved and adopted, and I will ask Mr. Hirschhorn to second the resolution. (Applause.)

Mr. F. Hirschhorn said: Gentlemen,—Before I respond to Sir Carl Meyer's call upon me to second the resolution, I wish to express our great gratification at seeing him amongst us, and to bid him a most cordial welcome to Kimberley. I am sure that all of us assembled here are glad to see him. (Applause.) As you know, Sir Carl has been a Director of the Company almost from its inception; he has been Deputy-Chairman of the Company for nearly 20 years, and our only regret has been that, although he has visited us before, he has not done so more frequently. We have in him a sound adviser; he has the confidence in a marked degree of our shareholders, and particularly of the great friends of our Company, Messrs. N. M. Rothschild & Sons, and I can truly say that he has been a great helper to the founders of this Company in making it one of the foremost mining concerns of the world. (Applause.) I also wish to extend to Lady Meyer, who has accompanied Sir Carl, a hearty welcome to Kimberley. (Applause.)

Sir Carl, in his review of the affairs of the Company, has left me little, if anything, to supplement. He has been able to lay a most favourable statement for the year ended 30th June, 1920, before you. It is true that since then many factors have contributed to make the immediate prospects of the Company not too bright. We have to deal with the reaction which has set in after five years of war, during which period money was spent recklessly and no heed was given to what the next day might bring, and the world's society was shaken to its foundations. That our industry cannot escape such changes entirely will be apparent to all thinking people, and we may have to be satisfied for some time with a smaller volume of trade than for the last few years. Existing stocks will have to be nursed, and the large producers and the Syndicate are fully in accord to uphold the price of diamonds, which is well known to the trade. One feature should, however, not be overlooked. Large quantities of brilliants which have partly been purchased during the war for investment, or which belonged to impoverished families in Europe, particularly Russia, are finding their way into the market, and over these, of course, there is no control; but they will be absorbed in due course, and this temporary interference caused by them to normal trade will wear off. After many years of experience of the diamond trade, and going back to the shareholders' meeting in 1903, when the late Sir Julius Wernher was present, and expressed his views on the future prospects of the diamond trade, we can endorse what he said then in the light of 17 years of additional experience. This is roughly what he said then:—

> "In spite of the enormous production of the last 30 years [and, mark you, Sir Julius was speaking 17 years ago] the world seems to take more and more diamonds, not perhaps in any single year compared with its predecessor, but over periods of, say, five or seven years, and that is a reassuring feature." (Applause.)

Gentlemen, I have nothing further to add, and now beg to second the adoption of the Directors' Report and Accounts put so lucidly before you by Sir Carl Meyer. (Applause.)

Sir Carl Meyer then asked if any shareholder desired to put any question to the Directors, and none being forthcoming, the motion for the adoption of the report of the Directors and the financial statement was carried unanimously, with acclamation.

Sir Carl Meyer: It is now my duty to report that, in terms of Clause 84 of the Company's Articles of Association, Sir David Harris, Mr. Francis Baring-Gould, and Mr. George William Compton retire from office as Directors of the Company, but are eligible and offer themselves for re-election.

Mr. T. Rowe English said that he had much pleasure in moving that Sir David Harris, Mr. Francis Baring-Gould, and Mr. G. W. Compton be re-elected Directors of the Company.

Mr. J. J. T. King seconded, and the motion was carried unanimously.

Lieut.-Colonel H. S. Harris proposed that Messrs. Howard Pim & Hardy and Messrs. Salisbury, Beaton & Raynham be appointed auditors for the ensuing year, and that the remuneration to be paid them be fixed by the Directors.

Mr. W. H. Carter seconded, and the motion was unanimously carried.

Sir Carl Meyer: That concludes the business of the meeting, gentlemen, and I thank you for your attendance.

Mr. B. Hawke moved, and Mr. G. R. Benford seconded, that a vote of thanks be accorded to Sir Carl Meyer for presiding.

This was carried with acclamation.

Sir Carl Meyer: I am very much obliged to you, gentlemen. I can only repeat the pleasure it has been to me to be present here to-day.

The proceedings then terminated.

De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Thirty-Third Annual Report

For the year ending 30th June, 1921.

Directors:

SIR CARL MEYER, BART., J.P., **Deputy Chairman.**

F. BARING-GOULD.
L. BREITMEYER.
G. W. COMPTON.
P. ROSS FRAMES, C.M.G.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D., M.L.A.
F. HIRSCHHORN.
S. B. JOEL, J.P.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Managers:
I. R. GRIMMER,
J. HARBOTTLE,
R. S. G. STOKES, D.S.O., O.B.E., M.C.

Mechanical Engineer:
J. LIDDELL.

Electrical Engineer:
R. W. SMITH.

Secretary:
E. F. RAYNHAM, D.S.O.

Assistant Secretary:
T. J. FORD, M.C., V.D.

Chief Accountant:
J. A. NEVILLE.

Assistant Accountant:
W. M. MILLER.

Diamond Valuator and Broker:
D. W. SMITH.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4.

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:
HAARHOFF, HERTOG AND LANGE, KIMBERLEY.
COWARD AND HAWKSLEY, SONS AND CHANCE, LONDON.

Auditors:
HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY, BEATON AND RAYNHAM, KIMBERLEY.

Bankers:
THE STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED, LONDON.

D.F.A., LTD., PRINTERS, KIMBERLEY.

De Beers Consolidated Mines, Limited.

THIRTY-THIRD ANNUAL REPORT,

For the Year ending 30th June, 1921.

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DIRECTORS' REPORT.

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GENERAL MANAGER'S REPORT.

PROCEEDINGS OF GENERAL MEETING, 9th December, 1921.

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1921,

To be submitted to Shareholders at the Thirty-third Ordinary General Meeting to be held on the 9th December, 1921.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their Thirty-third Annual Report, Balance Sheet at 30th June, 1921, Profit and Loss Account for the year ended 30th June, 1921, and Appropriation Account, 30th June, 1921.

The balance undistributed at 30th June, 1920, was represented by—			
Suspense Profit Account—Diamonds unsold at that date...	£354,244 14 10		
Balance unappropriated	237,830 16 11		
		£592,075 11 9	
During the year the Diamond Account amounted to		£2,300,580 16 11	
Add to this the following:—			
Interest and dividends on investments	£407,426 15 5		
Profits realized on investments	146,159 19 11		
Revenue from other sources	85,861 14 5		
		639,448 9 9	
Amount transferred from General Fund		1,010,232 0 3	
		£4,542,336 18 8	
Deduct expenditure as follows:—			
Mining expenditure	£1,976,053 5 10		
Expenditure on farms and landed property and Kimberley-Alexandersfontein Railway	143,424 17 2		
Charges:			
Donations £66,104 17 0			
Grants to employees leaving the Company's service consequent on trade depression 112,731 0 0			
Other charges 164,537 9 7			
	343,373 6 7		
Interest on Debentures and on capital of Leased Companies	164,469 19 6		
Sinking Fund towards repayment of debentures	84,185 16 8		
		2,711,507 5 9	
Leaving a balance of		£1,830,829 12 11	
Which has been dealt with as follows:—			
Union of South Africa Income Tax—Amount set aside ...	£6,592 19 0		
Amount appropriated for Stabiliment Reserve	119,504 17 0		
Dividends:			
Preference Shareholders after deduction of Tax £740,000 0 0			
Deferred Shareholders free of Tax ... 500,000 0 0			
	1,240,000 0 0		
		£1,366,097 16 0	
Balance undistributed carried to next year:—			
Suspense Profit Account—diamonds unsold 30th June, 1921	£354,381 7 2		
Balance unappropriated	110,350 9 9		
		£464,731 16 11	

The stock of blue ground and lumps on the floors at 30th June, 1921, was as follows:—

De Beers Mine	48,396 loads
Wesselton Mine	2,683,871 ,,
Bultfontein Mine	3,022,659 ,,
Dutoitspan Mine	3,173,226 ,,
	8,928,152 loads.

The General Reserve Fund now stands at £700,000. The Fund to redeem the De Beers 4½ per cent. Exploration Debentures has been increased to £746,475 2s. 4d., both funds being represented by securities which have been taken into the Accounts at market prices on 30th June, 1921.

The Special Reserve Fund for the stabiliment of the diamond trade has been increased from £2,357,395 1s. 3d. to £2,476,899 18s. 3d.

This Fund is invested in the shares of other Diamond Mining Companies and kindred interests, and is included in the £2,926,899 18s. 3d. shown on the assets side of the Balance Sheet, which represents in some cases actual cost and in other cases less than cost of the various items which make up the total, and your Directors consider that from the point of view of the diamond trade generally they are undoubtedly of great value to the Company.

The Company has paid during the year to Preference Shareholders the usual dividend of 20/- per share and to Deferred Shareholders 10/- per share.

Your Directors in their report last year mentioned that there was then a lull in the demand for diamonds. Since that date the world generally has been passing through a period of severe depression, which has been felt most acutely in the diamond industry. For many months there was a complete cessation of sales by the Syndicate of diamonds purchased by them from the four large producers, and up to now no sales of any importance have taken place.

In consequence of the stagnation in the Diamond Market and of representations by the Diamond Syndicate, meetings of the four large producers and the Diamond Syndicate were held at Cape Town in March and May of the present year, when matters were discussed, and a satisfactory arrangement as to future deliveries was come to.

The severe and continued depression compelled your Directors to take steps to curtail operations and to economise wherever possible, which unfortunately necessitated the retrenchment of large numbers of employees, both European and Native. All mining work was stopped, and expenditure in every department was greatly reduced.

A slight improvement in the diamond market has been noticeable recently, but it is still necessary to exercise patience and economy, for the depression through which the industry is passing makes the present a difficult period.

The Cape Explosives Works, Limited, which is owned and controlled by your Company, has carried on its operations successfully during the year. The sales of explosives amounted to 370,760 cases, a decrease of 57,688 cases as compared with the sales for the previous year, which is mainly accounted for by the temporary closing of the diamond mines of South Africa and the base metal mines of Australia

The Company has guaranteed payment of the interest and principal moneys in connection with an issue of £1,250,000—7½ per cent. first mortgage debentures made by the Cape Explosives Works, Limited, for the purpose of extending its activities and repaying advances made to it by your Company.

The South African Marine, Fire and General Insurance Company, Limited, in which your Company held a fifty per cent. interest, having fulfilled its object of providing marine insurance for diamonds during the war period, when it was otherwise unavailable, the liquidation of that Company was decided upon, and has been carried out.

A report by the General Manager on the operations of the Company during the year will be submitted at the Meeting.

In terms of Clause 84, sub-section (c) of the Company's Articles of Association, three Directors retire, namely:—

Friedrich Hirschhorn,
Robert Frederic Philipson-Stow,
William Pickering,

but being eligible, offer themselves for re-election.

G. W. COMPTON,
P. ROSS FRAMES,
D. HARRIS,
R. PHILIPSON-STOW,
W. PICKERING,
} Directors.

Kimberley,
21st September, 1921.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :					
800,000 Preference Shares @ £2 10s. 0d. each			2,000,000 0 0		
1,000,000 Deferred Shares @ £2 10s. 0d. each			2,500,000 0 0		
				4,500,000 0 0	
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930				1,635,495 0 0	
RESERVES (per Contra) :					
General Fund	700,000 0 0				
Redemption Fund : South African Exploration Debentures	746,475 2 4				
		1,446,475 2 4			
Blue Ground Stocks, 30th June, 1921, at cost ...		1,719,185 13 10			
Reserve for Stabiliment of the Diamond Trade ...		2,476,899 18 3			
			5,642,560 14 5		
LIABILITY ON STOCKS AND SHARES (per Contra)			450,000 0 0		
				6,092,560 14 5	
CURRENT LIABILITIES :					
Loans and Open Accounts			541,194 13 0		
Unclaimed Dividends and Sundries			111,746 4 3		
Interest on Debentures accrued to date			33,118 15 5		
Commissioner for Inland Revenue, Great Britain			185,900 0 0		
Preference Shareholders : Dividend declared 14th June, 1921			370,000 0 0		
				1,241,959 12 8	
SUSPENSE PROFIT ACCOUNT :					
Diamonds unsold at date (per contra)				354,381 7 2	
BALANCE TRANSFERRED FROM APPROPRIATION ACCOUNT ...				110,350 9 9	
CONTINGENT LIABILITY :					
The Company has guaranteed the repayment of, and interest on, £1,250,000 7½% 1st Mortgage Debenture Stock issued by the Cape Explosives Works, Limited, Somerset West, Cape Province.					
				£13,934,747 4 0	

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 26th September, 1921.

MINES, LIMITED.

30TH JUNE, 1921.

PROPERTY :			
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,162,430 5 0		
Estates purchased from the London and South African Exploration Company, Limited	1,635,495 0 0		
Farms and other Landed Property	156,848 19 6		
Machinery, Permanent Works, Offices, Compounds and Stand Property	1 0 0		
		4,954,775	4 6
INVESTMENTS IN STOCKS AND SHARES		163,361	7 9
RESERVE INVESTMENTS AND INVESTMENTS FOR STABILIMENT OF THE DIAMOND TRADE (per contra) :			
Investments representing General and Debenture Redemption Funds per contra at Market Prices 30th June, 1921 ...	1,446,475 2 4		
Blue Ground on Floors :			
8,928,152 loads at cost deposited on Floors	1,719,185 13 10		
Investments in other Diamond Mining Companies and Kindred Interests (see Liability £450,000 per contra)	2,926,899 18 3		
		6,092,560	14 5
TIMBER, FUEL, AND OTHER MINING STORES		518,265	14 6
LIVE STOCK		242,046	12 9
LOAN TO SOUTH AFRICAN COLLIERIES, LIMITED, NATAL ...		224,548	8 1
DEBTORS, SPECIAL INVESTMENTS, BILLS, AND CASH :			
Open Accounts	148,789 8 1		
Cape Explosives Works, Limited	842,932 19 9		
Special Investments at Market Prices 30th June, 1921 ...	347,151 18 3		
Cash at Bankers and in hand—Kimberley and London ...	45,933 8 9		
		1,384,807	14 10
DIAMONDS on hand		354,381	7 2
		£13,934,747	4 0

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto, including the

HOWARD PIM & HARDY,
SALISBURY, BEATON & RAYNHAM, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

To Mining Expenditure			1,976,053 5 10
,, Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway			143,424 17 2
,, Charges :			
Salaries, &c., Head Office	31,472 15 2		
General Charges	49,094 10 9		
Legal Expenses	1,025 4 9		
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894	66,104 17 0		
Compensation	9,455 17 6		
Auditors' Fees	2,000 0 0		
Directors' Fees	23,285 3 6		
Grants to Employees leaving Company's Service consequent on trade depression	112,731 0 0		
Annual Leave to Employees	43,249 4 3		
Provincial Companies Tax	4,954 13 8		
		343,373 6 7	
,, Interest on Capital of Leased Companies		96,392 10 0	
,, Interest on Debentures	73,597 5 6		
Less Union of South Africa Normal Tax, 1/6 in the £ ...	5,519 16 0		
		68,077 9 6	
,, Sinking Fund for Repayment of Debentures		84,185 16 8	
,, Balance carried to Appropriation Account		228,522 0 11	
		£2,940,029 6 8	

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1921. Cr.

By Diamond Account	£2,300,580	16	11
„ Interest and Dividends on Investments after adjusting Reserve and Special Investments to Market Prices at 30th June, 1921	407,426	15	5
„ Sundry Receipts	85,509	8	5
„ Transfer Fees	352	6	0
„ Profits Realized on Investments	146,159	19	11
	£2,940,029	6	8

DE BEERS CONSOLIDATED

Dr. APPROPRIATION

To Income Tax: Union of South Africa, Estimated Normal Tax			6,592 19 0
„ Reserve for Stabiliment of the Diamond Trade:			
Shares in other Diamond Mining Companies and Kindred Interests purchased during the year ended 30th June, 1921	62,384 14 0		
Amount paid off liability in respect of shares purchased prior to 30th June, 1917	200,000 0 0		
	262,384 14 0		
Deduct:			
Amount realized by Sales and amount received arising from Liquidation of the South African Marine, Fire and General Insurance Company, Limited	142,879 17 0		
			119,504 17 0
„ Preference Dividend Account:			
10/- per share on 800,000 shares payable to Preference Shareholders registered at 31st December, 1920, in respect of six months ended 31st December, 1920 ...	400,000 0 0		
Less Union of South Africa Dividend Tax ...	30,000 0 0		
		370,000 0 0	
10/- per share on 800,000 shares payable to Preference Shareholders registered at 30th June, 1921, in respect of six months ended 30th June, 1921	400,000 0 0		
Less Union of South Africa Dividend Tax ...	30,000 0 0		
		370,000 0 0	
			740,000 0 0
„ Deferred Dividend Account:			
10/- per share on 1,000,000 shares payable to Deferred Shareholders registered at 31st December, 1920			500,000 0 0
„ Suspense Profit Account:			
Diamonds unsold at date			354,381 7 2
„ Balance, carried to Balance Sheet ...			110,350 9 9
			£1,830,829 12 11

Kimberley, 26th September, 1921.

MINES, LIMITED.

ACCOUNT, 30TH JUNE, 1921.

Cr.

By Balance transferred from Profit and Loss Account ...	228,522	0 11
„ Balance unappropriated 30th June, 1920	237,830	16 11
„ Amount transferred from General Fund	1,010,232	0 3
„ Suspense Profit :		
Diamonds unsold 30th June, 1920, now written back ...	354,244	14 10
	£1,830,829	12 11

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

„ „ 2—DE BEERS MINE.

„ „ 3—WESSELTON MINE.

„ „ 4—BULTFONTEIN MINE.

„ „ 5—DUTOITSPAN MINE.

„ „ 6—TAILINGS.

„ „ 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	901,818 0 5	1·283	19 8·75	25 3·75	9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525,386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2,435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525½	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

* These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8 5·29	693,482¾	38	47/9·24	18/1·83	1,033,060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0·67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1914	Nil.	75,815	6 7 34	27,346½	36	80/10·21	29/1·28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	—	—	—	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	—	—	—	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	—	—	—	48,396
June 30th, 1918	Nil.	Nil.	Nil.	206	—	—	—	48,396
June 30th, 1919	Nil.	Nil.	Nil.	94¼	—	—	—	48,396
June 30th, 1920	Nil.	Nil.	Nil.	35	—	—	—	48,396
June 30th, 1921	Nil.	Nil.	Nil.	—	—	—	—	48,396

KIMBERLEY MINE.

June 30th, 1917	*76 cts.	* Includes 9½ carats debris.
June 30th, 1918	109¾ cts.	
June 30th, 1919	147½ cts.	
June 30th, 1920	207 cts.	
June 30th, 1921	920 cts.	

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	·27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	·30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1,393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1,067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

[*Continued over*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10·02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334	...	227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386
June 30th, 1918	2,065,620	1,805,436	4/10·94	487,828¼	27	54/9·76	14/9·59	3,012,570
June 30th, 1919	1,035,311	1,657,146	6/7·19	403,039¾	24	69/11·79	16/9·55	2,390,735
June 30th, 1920	1,927,178	1,646,895	8/4·97	401,531½	24	119/1·25	28/7·02	2,671,018
June 30th, 1921	845,295	832,442	11/9·54	217,761	26	136/0·54	35/4·46	2,683,871

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19/2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4/4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11/9	3,138,321
June 30th, 1916	60,997	864,052	...	342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3/9·856	675,401¾	38	46/11	17/9·94	2,665,777
June 30th, 1918	2,328,615	1,859,531	3/11·61	646,927½	35	49/9·62	17/5·16	3,134,861
June 30th, 1919	1,262,942	1,629,198	5/6·39	507,858¾	31	63/5·38	19/8·03	2,768,605
June 30th, 1920	2,021,026	2,251,257	7/3·99	663,419¾	29	102/10·29	29/9·94	2,538,374
June 30th, 1921	934,537	670,907	11/0·51	233,924¼	35	109/4·26	38/3·29	2,802,004

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.
*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
Development.									
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10·28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15/8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19/1·11	*f* 4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7·87	4,358,185
d June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6·25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597	...	20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	*e* 377,571¼	19	106/11·93	20/3·94	2,411,618
June 30th, 1918	2,200,843	2,178,132	3/8·8	422,657¾	19	108/6·22	20/7·42	2,434,329
June 30th, 1919	1,389,883	1,066,465	4/9·39	180,983	17	139/9·77	23/9·22	2,757,747
June 30th, 1920	1,796,573	1,892,558	6/8·48	305,587	16	221/2·36	35/4·7	2,661,762
June 30th, 1921	861,651	830,424	9/7·90	132,497	16	248/4·68	39/8·91	*g* 2,682,410

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

d Productive operations suspended 8th August, 1914, owing to the war. *e* Includes 9 cts. debris. *f* 61,473 loads hard blue transferred to lumps.

g 10,579 loads hard blue transferred to lumps.

TABLE No. 6.
TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced. £ s. d.
June 30th, 1901	265,239	50,147½	58,484 12 6
June 30th, 1902	1,151,816	202,830	251,870 12 3
June 30th, 1903	1,347,115	227,477	281,433 18 0
June 30th, 1904	1,881,090	399,065½	442,771 13 5
June 30th, 1905	1,616,030	257,059¾	311,030 7 2
June 30th, 1906	2,200,964	306,190¾	428,177 0 0
June 30th, 1907	4,370,221	557,897¼	800,273 5 0
June 30th, 1908	2,986,778	385,857	*a* 439,876 8 5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3,956	411
June 30th, 1916	—	—
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—
June 30th, 1921	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.
KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—
June 30th, 1921	—	—

*Productive operations suspended 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT.

To the Directors,

DE BEERS CONSOLIDATED MINES, LIMITED.

Gentlemen,

I beg to submit for your consideration my Report on the mining operations of the Company for the year ended 30th June, 1921.

DE BEERS MINE.

The mining of blue ground in this mine was suspended on the 31st July, 1908, and has not yet been resumed.

Development Work.—No Development work was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 4,055 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

No hoisting or washing was done during the year, and the stock of reef and blue mixed remains at 571,176 loads.

Pumping was suspended at this mine on 17th May, 1921, thus effecting a considerable saving in expenditure.

WESSELTON MINE.

Output of Blue Ground.—The output of blue ground was 845,295 loads, as follows:—

580	foot	level	16 loads.
660	,,	,, ...	27,058 ,,
700	,,	,, ...	61,810 ,,
740	,,	,, ...	84,408 ,,
780	,,	,, ...	156,412 ,,
820	,,	,, ...	207,117 ,,
860	,,	,, ...	261,627 ,,
900	,,	,, ...	32,708 ,,
940	,,	,, ...	2,542 ,,
980	,,	,, ...	433 ,,
1,050	,,	,, ...	2,110 ,,
1,100	,,	,, ...	973 ,,
1,150	,,	,, ...	1,529 ,,
1,250	,,	,, ...	1,965 ,,
1,400	,,	,, ...	2,553 ,,
1,450	,,	,, ...	97 ,,
1,500	,,	,, ...	1,710 ,,
1,600	,,	,, ...	227 ,,
Total		... ...	845,295 loads.

68,800 loads of reef or waste ground were also hoisted.

Hoisting was done from the 980 foot level.

The cost of mining and depositing was 7s. 9.92d. per load, as against 5s. 9.18d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 7,654,000 loads. It is estimated that between the 980 foot level and the 1,550 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 50,964 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	9,477 feet.
Tunnels driven in blue ground	8,852 ,,
Passes sunk in rock	1,870 ,,
Passes sunk in blue ground	135 ,,
Excavations—Rock	1,260 cubic feet.
No. 2 Main Rock Shaft sunk	89 feet.

The depth of No. 1 Main Rock Shaft is 1,119 feet.

The depth of No. 2 Main Rock Shaft is 1,756 feet.

WESSELTON FLOORS.

The stock of blue ground at the end of last year was 2,671,018 loads; 845,295 loads were deposited, and 832,442 loads were washed, leaving a balance of 2,683,871 loads.

The cost of washing was 3s. 11.62d. per load, as against 2s. 7.79d. for the previous year.

The average cost of mining and washing was 11s. 9.54d. per load, as against 8s. 4.97d. for the previous year.

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 934,537 loads, as follows:—

760 foot level	93,277 loads.
800 ,, ,, ...	150,515 ,,
840 ,, ,, ...	131,388 ,,
880 ,, ,, ...	106,726 ,,
920 ,, ,, ...	171,531 ,,
960 ,, ,, ...	279,735 ,,
1,000 ,, ,, ...	1,107 ,,
1,600 ,, ,, ...	258 ,,
Total	934,537 loads.

16,217 loads of reef or waste ground were also hoisted.

Hoisting was done from the 1,600 foot level as from the 26th July, 1920, the hoisting level having been dropped from the 1,000 foot level.

The cost of mining and depositing was 5s. 7.84d. per load, as against 4s. 0.72d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 4,065,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 17,875 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	696 feet.
Tunnels driven in blue ground	5,521 ,,
Passes sunk in rock	169 ,,
Passes sunk in blue ground	242 ,,
Excavations—Rock	50,062 cubic feet.

At the 72 foot level, water tunnels to the extent of 565 feet were driven during the year.

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

BULTFONTEIN FLOORS.

The stock of blue ground at the end of last year was 2,538,374 loads; 934,537 loads were deposited, and 670,907 loads were washed—of which 12,812 loads were returned to stock as lumps—leaving a balance of 2,802,004 loads.

The stock of cylinder lumps at the end of last year was 207,843 loads; 12,812 loads were deposited, leaving a balance of 220,655 loads.

The cost of washing was 5s. 4.67d. per load, as against 3s. 3.27d. for the previous year.

The average cost of mining and washing was 11s. 0.51d. per load, as against 7s. 3.99d. for the previous year.

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 861,651 loads, as follows:—

470 foot level	2,713 loads.
510 ,, ,, ...	41,971 ,,
550 ,, ,, ...	136,529 ,,
590 ,, ,, ...	328,027 ,,
630 ,, ,, ...	268,975 ,,
670 ,, ,, ...	81,612 ,,
750 ,, ,, ...	417 ,,
1,350 ,, ,, ...	1,407 ,,
Total	861,651 loads.

23,242 loads of reef or waste ground were also hoisted.

Hoisting was done from the 750 foot level.

The cost of mining and depositing was 6s. 2.91d. per load, as against 4s. 4.39d. for the previous year.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 9,638,000 loads. It is estimated that between the 750 foot level and the 1,300 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 7,272 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels driven in rock and reef	3,463 feet.
Tunnels driven in blue ground	11,210 ,,
Passes sunk in rock and reef	565 ,,
Passes sunk in blue ground	636 ,,
Excavations—Rock	2,576 cubic feet.
Excavations—Blue	1,890 ,, ,,

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

The stock of blue ground at the end of last year was 2,661,762 loads; 861,651 loads were deposited, and 830,424 loads were washed—of which 112,072 loads were returned to stock as lumps and 10,579 loads of hard blue were transferred to lump stock—leaving a balance of 2,682,410 loads.

The stock of cylinder lumps at the end of last year was 368,165 loads; 112,072 loads were deposited, and 10,579 loads were transferred from hard blue, leaving a balance of 490,816 loads.

NOTE.—The 10,579 loads of hard blue had been unavoidably mixed with a large stock of lumps, and for convenience it was decided to treat them as part of our lump stock.

The cost of washing was 3s. 4.99d. per load, as against 2s. 4.09d. for the previous year.

The average cost of mining and washing was 9s. 7.90d. per load, as against 6s. 8.48d. for the previous year.

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Year ended 30th June, 1921.	Year ended 30th June, 1920.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	845,295	1,927,178
Bultfontein Mine	934,537	2,021,026
Dutoitspan Mine	861,651	1,796,573
Total	2,641,483	5,744,777

LOADS BLUE GROUND WASHED.

	Year ended 30th June, 1921.	Year ended 30th June, 1920.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	832,442	1,646,895
Bultfontein Mine	670,907	2,251,257
Dutoitspan Mine	830,424	1,892,558
Total	2,333,773	5,790,710

STOCKS—LOADS.

	BLUE.		LUMPS.		TOTAL.	
	30th June, 1921.	30th June, 1920.	30th June, 1921.	30th June, 1920.	30th June, 1921.	30th June, 1920.
De Beers Mine	48,396	48,396	—	—	48,396	48,396
Kimberley Mine	—	—	—	—	—	—
Wesselton Mine	2,683,871	2,671,018	—	—	2,683,871	2,671,018
Bultfontein Mine	2,802,004	2,538,374	220,655	207,843	3,022,659	2,746,217
Dutoitspan Mine	2,682,410	2,661,762	490,816	368,165	3,173,226	3,029,927
Total	8,216,681	7,919,550	711,471	576,008	8,928,152	8,495,558

REEF AND BLUE MIXED.

	30th June, 1921.	30th June, 1920.
Kimberley Mine	571,176	571,176

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Year ended 30th June, 1921.	Year ended 30th June, 1920.
De Beers Mine	—	—
Kimberley Mine	—	—
Wesselton Mine	.26 ct.	.24 ct.
Bultfontein Mine	.35 ct.	.29 ct.
Dutoitspan Mine	.16 ct.	.16 ct.

GENERAL REMARKS.

Costs.—The increases in the hoisting and washing costs are due to the reduction in the number of loads handled.

Cessation of Mining Operations.—For many months past there has been practically no demand for rough diamonds, with no indications of an early recovery of the market, and the Company was compelled to reduce operations and finally to cease all mining and washing, with a consequent reduction in the number of white employees from 3,020 to 1,865.

The employees who left the service were paid a bonus of £100 each if 18 years of age or over, and £50 if under 18 years of age.

Of the remaining employees the mechanics are engaged principally on the construction of the plants required for the direct treatment process which is being adopted in place of the old flooring treatment, and the others are supervising natives engaged on the embankments and other works required in connection with direct treatment.

Tramways.—The Tramways have been well patronized by the general public. In addition to the Company's employees, who travel free of charge, and school children and shop assistants, who are conveyed at reduced fares, 4,499,909 passengers were carried during the year, as against 4,245,097 for the previous year.

The tramway system was extended in the Workshops' area to serve the various departments. Lines were also constructed to the Central Power Station; to the Coal Bunkers at Nos. 1 and 2 shafts Wesselton Mine, Wesselton Washing Machine and Bultfontein Mine; to the Dutoitspan Floors Crushing Plant; and along Carrington and Dalham Roads.

The Dalham Road line and the greater portion of the Carrington Road line constitute the first section of the Newton Extension. The Carrington Road line is further used in the conveyance of passengers to and from Alexandersfontein, and its construction has enabled us to dispense with the lines through the Malay Camp and along Cape Town Road, Beaconsfield, which will be taken up and used for extensions as required.

During the year we were also able to dispense with the Railway Siding to Wesselton Mine, and the haulage of all goods from Beaconsfield Station is now done by electric traction over our own lines.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 1,394,648 units, as against 1,244,924 for the previous year.

Central Power Station.—On account of the installation of further electrical apparatus in the various departments of the Company's works, and in order to provide for future increased requirements, it became necessary to order two new complete 6,000 k.w. Turbo-Generating Plants and two additional boilers. It was hoped that the plant would have been in operation before the end of the financial year under review, but owing to the unsettled conditions in the industrial world the makers of the generating plants found it impossible to deliver the machinery in the promised time. The complete plant should, however, be in our possession shortly, and we anticipate that at least one of the new units will be in commission within four months of date of receipt.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 16.07 inches, as compared with 18.81 for the previous year.

The rainfall for the last seven years was as follows:—

Year	ended	30th	June,	1915	...	17.10 inches
,,	,,	,,	,,	1916	...	11.56 ,,
,,	,,	,,	,,	1917	...	12.23 ,,
,,	,,	,,	,,	1918	...	13.77 ,,
,,	,,	,,	,,	1919	...	15.87 ,,
,,	,,	,,	,,	1920	...	18.81 ,,
,,	,,	,,		1921	...	16.07 ,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1921, was approximately 830,000,000 gallons, as compared with approximately 653,750,000 gallons on the 30th June, 1920.

Presentation of Medals.—In connection with the mud rush which occurred at Wesselton Mine on the 25th September, 1919, particulars of which were given in last year's report, I have pleasure in recording that His Majesty the King was pleased to confer upon two of our miners—Messrs. I. S. Barnard and J. B. Barnard—the Edward Medal (in silver) for conspicuous bravery in saving the lives of two natives. The presentation of the medals was made by the Governor-General, H.R.H. Prince Arthur of Connaught, at Kimberley, on the 28th February, 1921.

Death.—I regret to have to report that Mr. Michael Keough, Manager, Dutoitspan Mine, died on the 13th January, 1921, after a very short illness. Mr. Keough had been in the Company's employ for many years, and for the last ten years was Manager of Dutoitspan Mine. He served the Company well.

Employees.—The number of white employees at 30th June, 1921, was 1,701 men and 164 lads, as compared with 2,696 men and 324 lads at 30th June, 1920.

The number of natives employed at 30th June, 1921, was 2,521, as compared with 13,781 at 30th June, 1920.

Native Labour.—The native labour required by the Company was practically supplied by natives voluntarily presenting themselves at the Compounds.

In conclusion, I beg to thank the Directors of the Company, the various heads of departments and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

Kimberley,
3rd October, 1921.

De Beers Consolidated Mines, Limited.

Thirty-third Ordinary General Meeting.

The Thirty-third Ordinary General Meeting of De Beers Consolidated Mines, Ltd., was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, 9th December, 1921. Colonel Sir David Harris, K.C.M.G., V.D., M.L.A., presided, and the shareholders present were: Mr. G. W. Compton (and q.q. Mrs. R. Compton and Mr. S. E. Compton); Mr. P. Ross Frames, C.M.G. (and q.q. Dr. E. O. Ashe), Mr. F. Hirschhorn, Mr. R. Philipson-Stow, Mr. W. Pickering, D.S.O., J.P. (and q.q. Mr. Andrew Gloag, Mr. W. H. Pickard, and Mr. H. A. Verity), Mr. J. J. T. King (q.q. Mr. A. Brink, Mr. D. van Ulsen, Mrs. R. McFarland, estate of the late A. Kiddie, estate of the late C. A. E. H. Meyer and Mrs. J. McCullagh), Lieut.-Colonel H. S. Harris, C.B.E., Mr. L. Cecil Breitmeyer, Mr. Colin W. Lawrence, Mr. B. Hawke, Mr. W. H. Carter (and q.q. Mr. J. R. P. Carter), Mr. E. W. Weatherby, Mr. H. Rose-Innes, Mr. A. Westcott, Mr. W. M. Miller, Mr. W. G. S. McCartney, Mr. H. J. Lancaster, Mr. Abraham Hyam, Mr. H. J. Saunders, Mr. Geo. R. Benford, Mr. Walker Marshall, Dr. S. Zweiback, Mr. Joseph Buck, Mr. J. H. Morgan, Mr. C. E. Hertog (the Company's solicitor), and Mr. E. F. Raynham, D.S.O. (Secretary).

Sir David Harris held proxies representing 167,485 shares.

Mr. F. Hirschhorn held proxies representing 23,345 shares.

Mr. R. Philipson-Stow held proxies representing 6,410 shares.

The Secretary read the notice convening the meeting, and afterwards the minutes of the last Annual Meeting, held on December 10, 1920, which were confirmed.

Mr. E. W. Weatherby proposed that as the Directors' Report and Statement of Accounts had been circulated amongst shareholders, they be taken as read.

This was seconded by Lieut.-Colonel H. S. Harris, and carried.

Sir David Harris then rose to move the adoption of the Report of the Directors and the Balance Sheet and Profit and Loss Account. He said: Before referring to matters of general interest, I will deal with the accounts submitted to shareholders for the financial year ended 30th June last.

It will be seen that the Capital Account and liability for debentures have remained unchanged, but there have been serious and significant changes in our reserves.

The depression through which we are now passing is perhaps the heaviest blow the diamond industry has ever sustained, and the result is clearly reflected in the fall in the Company's cash resources during the year under review. At the end of June, 1920, our General Fund, represented by gilt-edged securities of a like value, stood at £1,844,000; by the 30th June, 1921, it was found necessary, in order to carry on as we are to-day, to use up the sum of £1,144,000, reducing the General Fund to £700,000. If we had not created this reserve fund out of the profits of previous years, and to that extent reduced the dividends to deferred shareholders, it would have been impossible to carry on even the reduced operations of to-day. The employees of the Company and the diamond industry generally have been materially assisted by the cautious policy of your Directors, who in the past created such a reserve. These figures should bring home to the public, and especially to the Government, the heavy loss sustained by shareholders by the deprivation of dividends.

The Reserve for the Stabiliment of the Diamond Trade has been increased from £2,357,000 by further investments to £2,477,000, an increase of £120,000. This £2,477,000, plus £450,000, still owing in respect of these investments, making a total of £2,927,000, represents the amount of money locked up from time to time in endeavouring to control the industry, and the amount is therefore not available as cash, and as the shares and interest represented in the £2,927,000 could not be of the same value to any other holder but De Beers Company, it has not been deemed either advisable or necessary to write them down to present market value, which course would have also involved the writing down of the Stabiliment Reserve to a corresponding extent.

The Debenture Redemption Fund has been increased from £661,500 to £746,500 by the addition of £85,000, that being the sum allocated this year to the Sinking Fund in order to pay off the whole of these 4½ per cent. London and South African Exploration Debentures by the 1st January, 1930.

You will have observed that under the heading of "Current Liabilities" a total of £1,241,900 is shown, which is more than covered by Debtors, Special Investments, Bills and Cash on the credit side of the Balance Sheet amounting to very nearly £1,385,000.

The item Suspense Profit Account £354,000 remains at the same figure as last year, and is only a nominal representation of the diamond stocks on hand at that date.

The established economic principle that until a commodity is actually sold it cannot be deemed to be income has impressed itself on us more vividly this year than at any other time during the existence of the De Beers Company, and it is in conformity with this axiom that only actual sales of diamonds have been credited to Profit and Loss Account.

With regard to the Company's industrial undertakings referred to by the Chairman at the last Annual Meeting, when it was foreshadowed that these investments might be capitalised and form the nucleus of a new company, I have now to inform the shareholders that, after mature consideration, it was decided not to carry out the suggestion. You will, therefore, observe that under the heading "Contingent Liability" the Company has guaranteed the repayment of and interest on £1,250,000 7½ per cent. first mortgage debenture stock issued by the Cape Explosives Works, Ltd., Somerset West, Cape Province. During the year under review, in order to extend its operations, the Cape Explosives Works, Ltd., drew heavily on this Company, and in order to pay off the indebtedness thus created, it was found necessary in June last to raise these debentures, one million being issued in London and a quarter of a million in the Union of South Africa. These issues in both places were eminently successful. The proceeds of the debenture issue will enable the Cape Explosives Works, Limited, to wipe out substantially their indebtedness to this Company. When this issue was placed on the London Market we were in competition with very many most attractive Government loans.

I will now pass on to the credit side of the Balance Sheet. Our ordinary investments, which stood at £629,500 on the 30th June, 1920, now figure at £163,361, this de-

crease of £466,139 being mainly brought about by the redemption of the balance of the old Cape Explosives Works debenture debt, the whole of which we held, out of their new issue of debenture stock.

Our Reserve Investments have been taken in at the market prices quoted on the 30th June, 1921, and it is refreshing to state that instead of further writing down these securities, we have had some appreciation with which to credit our accounts as some set off to the heavy amount it was found necessary to write off in the previous years. In addition to our Reserve Investments, we had Debtors, Special Investments, and Cash totalling £1,384,807 14s. 10d., included in which is the sum of £842,932 19s. 9d. owing by the Cape Explosives Works, Limited, which will soon be paid when the proceeds of the debenture issue are all received. I may state that since the close of our financial year we have received nearly the whole amount due by the Cape Explosives Works.

I have now dealt with the salient points in the Balance Sheet, and will pass on to the Profit and Loss Account.

The Mining Expenditure for the year amounted to £1,976,000, almost equal to last year's figure notwithstanding that productive operations were gradually reduced during the year and suspended altogether at the end of March last. This expenditure includes a heavy outlay for machinery to which the Company was committed long before there appeared to be the slightest sign of a depression; the cost had to be met during the non-productive period.

The heading Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Railway discloses a sum of £143,424 as compared with last year's figure of £18,162, or an increase of about £125,000. This large increase, which is mainly due to heavy expenditure incurred in the extension of and additional equipment for the electrical tramway in the town, and which includes a sum of £70,700 for new rolling stock, is arrived at after taking into consideration all receipts, and making due allowance for the Company's employees' free use of the trams, which together amount to about £48,500; furthermore, there has been a fall in revenue from the farms of about £18,000 as compared with the previous year, which is largely accounted for by the drop in value of our livestock both in Rhodesia and in the Union, which at the end of November amounted to 13,858 head and 13,013 head respectively, making a grand total of 26,871.

The expenditure grouped under the heading of Charges, amounting to £343,000, comparable with last year's figure of £441,000, shows a decrease of about £98,000.

It will be seen that our Donations, etc., amounted to £66,000, as against £145,000 for the previous year; this large decrease of £79,000 was reluctantly forced upon us in consequence of the great falling off in revenue; in view of the profit for the year only totalling £228,000, £66,000 was a very liberal and generous sum to distribute in donations. (Hear, hear.)

The grant to employees who left the Company's service consequent on the depression reached the large figure of £112,700, and in addition the wages paid to employees whilst on annual leave or in lieu thereof amounted to £43,249.

The fixed annual charges represented by Interest on Capital of Leased Companies, Interest on Debentures, and the annual instalment for payment of our debenture debt, used up the sum of £254,176, including the sum of £5,519 payable for Normal Tax on the debenture interest.

Turning to the credit side of the Profit and Loss Account, it will be seen that the diamond sales amounted to £2,300,580, this being largely due to deliveries of diamonds to the Syndicate for sales effected from the 1st of April to 30th of September, 1920, and to sales up to the 23rd of November, 1920, when the market suddenly collapsed. This figure of £2,300,580 is arrived at after deduction of British income tax in respect of our participa-

tion in South-West Africa diamonds, the profit derived from which having in past years been credited to Diamond Account. Until last year the Imperial taxing authorities of Great Britain exacted British income tax from the Company in respect of the additional purchase price received by the Company from the Syndicate in London, and it now gives me great pleasure to inform you that in future this tax will no longer be inflicted upon us. An endeavour was made to assess the Company for British income tax in respect of the year under review, but on the Company declining to admit the claim the taxing authorities then withdrew it. A great deal of credit for this benefit must be given to the Premier (Transvaal) Diamond Mining Company, Limited, whose selling arrangements with the Syndicate were similar to ours, and who in the first instance withstood the Inland Revenue authorities of Great Britain and submitted their case to the Special Commissioners in London at the beginning of this year, and won outright without any appeal by the taxing authorities. Mr. Percy Ross Frames went to England for the express purpose of fighting this case; his valuable and expert evidence was a great factor in the favourable result, for which I, on behalf of this Company, tender him our gratitude and thanks. (Applause.)

The income derived from Interest and Dividends on Investments amounted to £407,426 15s. 5d., as compared with £208,108 19s. 10d. the previous year; the advantage this year is because last year a very large amount for depreciation was deducted from the income in order to bring the securities to the market price at 30th June, 1920, but, conversely, this year there was some appreciation to add to the income.

The heading Sundry Receipts shows £85,509 8s. 5d., against last year's figure of £13,595 5s. 8d.; any income under this heading is out of the ordinary course, the large increase this year being mainly due to two items—exchange on remittances between London and Kimberley, £19,470 9d. 7d., and certain refunds of British income tax arising out of deduction of British tax from British shareholders amounting to about £47,000. The receipts arising from Profits Realized on Investments are also of an adventitious nature, and of the sum of £146,160 shown under this heading, £135,452 1s. 7d. represents the proceeds resulting from the liquidation of the South African Marine, Fire and General Insurance Company, Limited, being the increment on the share capital held by this Company. Shareholders will remember that this Insurance Company was formed during the period of the active submarine campaign against Great Britain, when diamonds could not be insured through the ordinary channels on account of the enormous risk. This Company having served the purpose for which it was formed, without—I am glad to say—sustaining any losses, has been liquidated with the result I have just mentioned.

On reference to the accounts, it will be seen that our Profit for the year, after taking the diamonds into stock at a merely nominal figure, amounted to £228,522 0s. 11d.

The Appropriation Account shows that the Stabiliment Reserve Account absorbed the sum of £119,504 17s., after deducting the amount realised by sales of certain investments in this account plus the first cost of our holding in the South African Marine, Fire and General Insurance Company, Limited.

The deferred shareholders have only received 10s. per share for the whole year; this dividend was declared prior to the 31st December last, at which time there was sufficient profit out of which to declare it; consequent upon this declaration, the preference shareholders, in terms of their holdings, were entitled to £1 per share for the year.

I think I have now dealt with the outstanding features of the accounts.

The diamond industry is passing through a very trying time, owing in a great measure to the world's economic conditions, the exchanges, and the heavy and crushing taxation, which have considerably diminished the spending power of the classes that formerly purchased our product. As you are aware, there has been a decreased demand for and a fall in the prices of the essential necessaries of life, and it naturally follows that diamonds, an article of the greatest luxury, should feel the effect to a greater extent than commodities of daily consumption. But there is another factor which has affected our in-

dustry in addition to the causes I have enumerated; that is the large quantity of Russian brilliants thrown on the world's markets by the Soviet Government and others, especially the former, who, by force, dispossessed the owners of their jewels, and have been and are selling them for cash at less than half the ruling rates for South African diamonds. This, as you may imagine, had a most disturbing effect, and diverted the American demand to a new channel which during 1920 and 1921 supplied the American requirements of good quality diamonds at very low rates. In short, the American trade is buying in the cheapest market. If this was the result of a discovery of a new mine in Russia we would be very much alarmed, but as this supply is only of a temporary character, and, we hope, will probably come to an end some time next year, we look forward with confidence to the renewal of trade with our best customers, the Americans. The returns from America show that, although there has been a great decrease in importations during the 14 months ended 30th June, 1921, there has not been an entire cessation of buying; on the contrary, diamonds have been imported regularly, as the following official figures will show:—

For the 10 months 1st July, 1919, to 30th April, 1920, America imported diamonds valued at 80,714,000 dollars, in round figures an average of 8,000,000 dollars per month. During the 14 months ended 30th June, 1921, the total amounted to 36,790,000 dollars, roughly averaging 2,630,000 dollars per month. It will therefore be seen that for the 14 months I have mentioned the American purchases did not average one-third of those made during the preceding 10 months. You will realise how vitally the condition of affairs in America affects our industry. This is reflected in this Company's returns for the year ended 31st December, 1920, in which our total receipts from the sale of diamonds amounted to £4,628,882, but from the 1st January, 1921. to 31st October, 1921, we have delivered only £618,936, while our expenditure for the same period was £2,019,249—a deficit of £1,400,313. Had it not been for the policy of control instituted by this Company many years ago, and followed by all the big producers during the present world-wide depression, the results to the diamond industry would have been disastrous. This policy will be maintained and adhered to. We do not despair of the recovery of the diamond industry, but, in the meantime, we are compelled, in the interest of all concerned—employees, shareholders, and Kimberley generally—to husband our largely decreased reserves. The necessity for retrenchment was forced upon us; we put off the evil day as long as possible, but owing to the long and continued depression in the diamond market the Company, as mentioned in the Directors' Report, was reluctantly compelled to curtail its operations and to retrench in all departments. In order to obviate hardship, and to enable those whose services the Company were obliged to dispense with to seek work elsewhere, a sum of £100 was offered to each employee over 18 years of age on resignation, and £50 to those under that age. A large number of men took advantage of this offer.

All productive mining work and washing operations were stopped, and many of the European employees who were previously engaged on the mines and floors are now employed in building embankments, and others have been transferred to different departments. Although we have not been hauling any blue ground or producing diamonds since March last, we are employing a large number of white men and natives, far in excess of those required to carry out essential operations. On the 30th June, 1920, we employed 3,020 whites and 13,781 natives; this worked out roughly at nine natives to two white men; on the 26th October, 1921, we had on the pay sheets 1,636 whites and 2,451 Kafirs—proportionately three blacks to two whites. These figures will prove to you that we retained in our service many more white employees than were needed. I may also inform you that up to the end of June last the expenditure exclusively on mines and floors whilst closed down amounted to £752,248 4s. 7d., which sum up to date has been largely increased.

There are over 100 old employees, not now in the service of the Company, who are past work, and who are in receipt of fortnightly grants amounting in the aggregate to £13,680 per annum.

We had up to September, 1921, given to dependents of employees who died during the influenza epidemic of 1918, including commuted payments, £38,311 10s. 4d., and the allow-

ances now being made fortnightly total annually £6,840. Yet we are often accused of a want of consideration for our employees. I make bold to say that if those who criticise our conduct were placed in the same position as this Board they would probably be less generous to their workpeople. (Hear, hear.)

At the last annual meeting of shareholders of the New Jagersfontein Company, at which I had the honour to preside, I had occasion to call attention to the heavy burden of taxation imposed by the Legislature of this country since Union. At that time we paid a Mining Profits Tax of 10 per cent., and in addition an Export Duty on diamonds of ½ per cent., which has since been increased to 10 per cent. The taxes for which the Company is now liable are as follows:—

Export Duty on diamonds	10 %
Normal Tax	7½%
Dividend Tax	7½%

Approximately, the Export Duty absorbs 20 per cent. of our profits; the State therefore derives 35 per cent. of our nett profits. I mention these facts again in order, if possible, to prove to those who are continually harping on the question of increasing the taxation on diamond mining, that this industry to-day bears a far greater burden of taxation than any other industry in the country.

To illustrate the importance of our industry to the State, and to show how its prosperity or otherwise affects the revenue of the country, I may mention that for the year ended 30th June, 1919, the Company paid in direct taxation £584,000 Export Duty on diamonds and £382,000 for Normal and Dividend Taxes, making in all £966,000; in the following year, under the same heads, we contributed £676,000 and £439,000 respectively, a total of £1,115,000. Since the beginning of this year the total paid for Diamond Export duty amounted to £21,117 only, but the State has suffered further losses of revenue in Normal and Dividend Taxes, Customs, Income Tax, and Railway Receipts. These figures should convince even the most sceptical of the great importance of our industry to the Union.

The building and machinery capable of producing about 100,000 tons of fertilizers per annum have been completed at Somerset West. The capital to equip and run this concern amounts to about £400,000, nearly the whole of which sum has already been expended. Attached to this factory is a highly technical staff, and an up-to-date laboratory for the analysis of soils to determine the fertilizer suitable for different crops. We feel that this new venture will prove of great benefit to the country, enabling it to produce sufficient wheat for the whole population, and in the near future grow not only sufficient for our own consumption, but also for exportation. We are prepared to face the world's legitimate competition for fertilizers in South Africa, but look to the Government to protect us against dumping from outside countries. This Company has liberally responded to the general appeal of the Prime Minister and his Cabinet to develop Colonial Industries, and it is only reasonable that we look to the Government to protect us against illegitimate competition. All we ask is for a fair field and no favour.

I am sorry I feel compelled to take exception to some of the remarks made by the Government Mining Engineer in his last Annual Report, which appear to be beside the mark and quite uncalled for. I refer particularly to the following:

> "For example, De Beers Deferred Shares are now standing at about £10; since 1905 the average dividend on these shares has been 21s. 5d. per share, or 10.7 per cent. on £10—but there are four years during which no dividend was paid, and the average dividend for the remaining twelve years was 14.3 per cent. on £10. During the last few years the dividend has been even more substantial."

This is juggling with figures with a vengeance. Sir Robert Kotze eliminates the four years during which the Company paid no dividends, to arrive at a return of 14.3 per

cent. per annum on the deferred shares, and takes the lowest market price these shares touched in order to arrive at his conclusions. Surely Sir Robert should know that the only fair method of basing the return to shareholders is on the average market price of the shares over the same period that the dividends were declared. If he had ascertained this, as he should have, he would have found that the return to the deferred shareholders was half the average stated by him. I will not take up too much of your time by quoting fully from Sir Robert's criticisms of our Company. There would be some justification for them if we contributed nothing to the State or discharged men without consideration.

It is a great pity that a gentleman occupying such an important official position as does Sir Robert Kotze, and with a deservedly high reputation, should—probably unintentionally—faintly join in the chorus with those who, for political reasons, are continually making groundless attacks on the Company. I defy Sir Robert to name any company that treats its employees and fulfils its duties to the State better than the De Beers Consolidated Mines. (Hear, hear.) The Company is served by an exceptional body of loyal men who have seldom complained about their treatment, and it is only those who know nothing about its internal working who indulge in unfair criticism.

In the September number of the "South African Journal of Industries," issued by authority of the Right Hon. the Minister of Mines and Industries, and distributed by the Government Printing and Stationery Office, there appeared a long article from the pen of Mr. S. P. Joubert, in which, *inter alia,* the following paragraph was included:—

> "What, however, is the position to-day? The digger, through necessity, disposes of his diamonds principally to buyers of the big mines, which are monopolised by the De Beers Company. The London Syndicate, whence the De Beers diamonds flow, and thence to other parts of the world, consists also of a staff of the De Beers, and thus De Beers still retains the power to regulate the demand of the London Syndicate so that their own diamonds, for which there is less demand, will get preference." (Laughter.)

This statement is absolutely devoid of truth, and must be the outcome of a mind saturated with prejudice. The De Beers Company has never bought or had an interest in the purchase of alluvial diamonds. The River diggers have frequently acknowledged the benefit they have derived from the policy of control initiated by this Company, yet this budding politician—this infant prodigy—whose knowledge and experience of the diamond industry is on a par in this regard with his veracity, must forsooth have a dig at De Beers, for reasons best known to himself.

The criticisms of Sir Robert Kotze, and the groundless attack of the Stellenbosch fabricator, both bore the Government imprimatur in that the first was published in the annual report of the Government Mining Engineer, and the second in the "South African Journal of Industries." I do not believe the Government saw these statements before publication, but as the public place great reliance on that which appears in official journals, the Government should at least exercise some supervision to prevent statements appearing of an inaccurate and damaging character. (Applause.)

The Company has regretfully and reluctantly decided to cease all operations save the essential ones of town lighting, trams, pumping, etc., on the 1st January, which will necessitate the retrenchment of 650 employees, but during the pleasure of the Company maximum grants of £10 per month will be made to the families of the men who will be discharged and who cannot obtain employment elsewhere—(applause)—and smaller amounts will be given to those with less responsibilities; and for the six months ending 30th of June next we intend supplementing the pay by £5 per month of about 120 men taken over by Government as temporary warders, who will be on duty alternate weeks. (Applause.)

Owing to the state of the diamond market, and the uncertainty as to when a revival will take place, and to the necessity for conserving the Company's cash resources, we considered it would not be prudent to pay any dividend to deferred shareholders for the half-

year ended 30th June, 1921, and in view of these conditions still prevailing, we do not intend to declare any interim dividend to either preference or deferred shareholders for the half-year ending 31st December, 1921.

The General Manager, Heads of Departments, staff and employees have been and are going through a very rough time, more difficult and harassing than during ordinary working periods. We appreciate the services they have rendered. We have done our very best with the resources at our disposal to assist them all, and I think I am justified in saying that in this respect we have set an example to other industries. This Board is not infallible —we probably make mistakes, but these are the fault of the head and not of the heart. Attacks on the Board, misrepresentation, unfair criticism or abuse will neither mend matters nor assist the industry in the slightest degree. The only thing that will help is the sale of diamonds. (Hear, hear.) For all concerned—directors, managers, staff, workpeople, shareholders, and all their families—I hope the day of revival is not far distant. (Loud applause.)

I now beg to move that the Directors' Report, Balance Sheet, and Profit and Loss Account for the year ended 30th June, 1921, be approved and adopted, and I will ask Mr. Compton to second the resolution. (Applause.)

Mr. Compton said: I beg to second the Chairman's motion for the adoption of the Directors' Report, Balance Sheet, and Profit and Loss Account for the financial year ended 30th June, 1921.

Sir David Harris said: Before putting this to the vote, I should like to ask if any shareholder wishes to address the meeting on any question.

There was no response to this invitation.

Sir David Harris: If no shareholder wishes to address the meeting I will now put the motion formally that the Directors' Report, Balance Sheet, and Profit and Loss Account for the year ended June 30th, 1921, be approved and adopted.

On the proposition being put to the meeting, the Chairman declared it carried unanimously, amidst applause.

Sir David Harris: It is now my duty to report that in terms of Clause 84 of the Company's Articles of Association, Mr. Friedrich Hirschhorn, Mr. Robert Philipson-Stow, and Mr. William Pickering retire from office as Directors of the Company, but are eligible and offer themselves for re-election.

Mr. Colin W. Lawrence said that he had much pleasure in moving that Mr. Friedrich Hirschhorn, Mr. Robert Philipson-Stow, and Mr. William Pickering be re-elected Directors of the Company.

Mr. H. Rose-Innes seconded, and the motion was carried unanimously.

Mr. B. Hawke proposed that Messrs. Howard Pim & Hardy and Messrs. Salisbury, Beaton & Raynham be appointed as Auditors for the ensuing year, and that the remuneration to be paid them be fixed by the Directors.

Mr. W. H. Carter seconded, and the motion was unanimously carried.

Sir David Harris: That is all the business of the day, gentlemen, and I thank you for your attendance.

Mr. Colin W. Lawrence: I beg to propose a very hearty vote of thanks to yourself for so ably presiding, and for the very lucid statement you have made with regard to the position. I think you have presided at a good many meetings in Kimberley of De Beers

Company under very much happier circumstances, and we all hope that the next time you have that duty to perform that prosperity will have returned. (Sir David Harris: Hear, hear.) I was very pleased indeed to hear the statement made that the Directors had decided to assist the men who are to be retrenched, and I am very pleased that that will be published, because I think that will relieve a good deal of the anxiety that exists at present. I quite agree with you, sir, that criticism and abuse will not help in the present time. There has been a good deal of criticism, and some of it back-door criticism, by people, as you have said, who do not realise the position. I do not pretend to be an expert in diamond mining, but I do know that the Chairman and Directors feel as keenly as anybody, as keenly as the shareholders, and as keenly as the people of Kimberley, the necessity that has arisen for this retrenchment. I beg to propose, sir, a very hearty vote of thanks to yourself for presiding, and I extend to you the very best wishes for a speedy return to prosperity. (Applause.)

Mr. B. Hawke seconded, and upon being put to the meeting by Mr. Lawrence, the proposition was carried unanimously.

Sir David Harris: I thank you for endorsing the kind remarks of His Worship the Mayor—he is not here in his official capacity—therefore my friend, Mr. Lawrence, I quite appreciate the happy strain of his speech, and I trust that his hope that we shall meet under better auspices next year will be fully realised. (Hear, hear, and applause.)

The company then dispersed, after a meeting of exactly one hour's duration.

De Beers Consolidated Mines,

LIMITED.

Registered under Act 23 of 1861, and Incorporated under Act 13 of 1888, in the Province of the Cape of Good Hope, in the Union of South Africa.

CAPITAL - - £4,500,000.

Head Office:

Kimberley, Griqualand West, South Africa.

Thirty-Fourth Annual Report

For the year ending 30th June, 1922.

Directors:

SIR CARL MEYER, BART., J.P., **Deputy Chairman.**

F. BARING-GOULD.
L. BREITMEYER.
G. W. COMPTON.
P. ROSS FRAMES, C.M.G.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D., M.L.A.
F. HIRSCHHORN.
S. B. JOEL, J.P.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Managers:
I. R. GRIMMER,
J. HARBOTTLE,
R. S. G. STOKES, D.S.O., O.B.E., M.C.

Mechanical Engineer:
J. LIDDELL.

Electrical Engineer:
R. W. SMITH.

Secretary:
E. F. RAYNHAM, D.S.O.

Assistant Secretary:
T. J. FORD, M.C., V.D.

Chief Accountant:
J. A. NEVILLE.

Assistant Accountant:
W. M. MILLER.

Diamond Valuator and Broker:
D. W. SMITH.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C., 4

London Secretary: J. BRUCE. J. H. BOVENIZER.

Solicitors:
HAARHOFF, HERTOG AND LANGE, KIMBERLEY.
COWARD AND HAWKSLEY, SONS AND CHANCE, LONDON.

Auditors:
HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY, BEATON AND RAYNHAM, KIMBERLEY.

Bankers:
THE STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED, LONDON.

D.F.A., LTD., PRINTERS, KIMBERLEY 1192

De Beers Consolidated Mines, Limited.

THIRTY-FOURTH ANNUAL REPORT,

For the Year ending 30th June, 1922.

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DIRECTORS' REPORT

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PROCEEDINGS OF GENERAL MEETING and of
EXTRAORDINARY GENERAL MEETING, 29th December, 1922.

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1922,

To be submitted to Shareholders at the Thirty-fourth Ordinary General Meeting to be held on the 29th December, 1922.

TO THE SHAREHOLDERS—

GENTLEMEN,

Your Directors beg to submit their Thirty-fourth Annual Report, Balance Sheet at 30th June 1922, Profit and Loss Account for the year ended 30th June, 1922, and Appropriation Account, 30th June, 1922.

The balance undistributed at 30th June, 1921, was represented by—		
Suspense Profit Account—diamonds unsold at that date	£354,381 7 2	
Balance unappropriated	110,350 9 9	
		£464,731 16 11
During the year the Diamond Account amounted to		401,816 6 5
Add to this the following:—		
Interest and dividends on investments	296,787 1 4	
Revenue from other sources	27,887 12 6	
		324,674 13 10
Amount transferred from General Fund		535,634 1 9
Amount released from Reserve for Stabiliment of the diamond trade		21,823 4 2
		£1,748,680 3 1
Deduct expenditure as follows:—		
Mining expenditure	798,552 12 5	
Expenditure on farms and landed property and Kimberley-Alexandersfontein Railway	129,091 3 4	
Donations	41,395 12 0	
Subsistence allowance to employees	24,657 18 5	
Other charges	83,902 11 6	
Interest on Debentures and on capital of leased companies	164,469 19 7	
Sinking Fund towards repayment of Debentures	86,959 13 0	
		1,329,029 10 3
Leaving a balance of		£419,650 12 10
Out of which has been taken undercharges for Union of South Africa Income Tax in respect of the two years ended 30th June, 1921		86,507 3 0
Leaving a balance representing Suspense Profit Account—diamonds unsold 30th June, 1922		£333,143 9 10

The stock of blue ground and lumps on the floors at 30th June, 1922, was as follows:—

De Beers Mine	48,396 loads
Wesselton Mine	2,683,871 ,,
Bultfontein Mine	3,022,659 ,,
Dutoitspan Mine	3,173,561 ,,
	8,928,487 loads

The General Reserve Fund now stands at £173,830 17s. 5d. The Fund to redeem the De Beers 4½ per cent. Exploration Debentures has been increased to £833,984 15s. 4d., both funds being represented by securities which have been taken into the accounts at market prices on 30th June, 1922.

The Special Reserve Fund for the stabiliment of the diamond trade has been reduced from £2,476,899 18s. 3d. to £2,455,076 14s. 1d.

The severe depression in the diamond market referred to in the last annual report continued through nearly the whole period under review. There has, however, been a distinct improvement during the last few months; business has broadened, and we feel confident that the worst is past, but the total recovery will necessarily depend upon the return to normal of trade conditions generally throughout the world.

Mining operations which were suspended during the previous year have not been resumed.

The Company has not paid any dividends to either Preference or Deferred Shareholders for the year ended 30th June, 1922.

Owing to the condition of the diamond trade, a Conference of representatives of the four large Producers of diamonds and of the Diamond Syndicate was held in Capetown in April last, when certain temporary modifications of the existing contracts between the Producers and the Syndicate were agreed upon.

The Cape Explosives Works, Limited, which is owned and controlled by your Company, has carried on its operations successfully during the year. The sales of explosives amounted to 279,215 cases, a decrease of 91,545 cases as compared with the sales of the previous year. This decrease is due largely to the unfortunate upheaval on the Witwatersrand early this year, which necessitated the complete suspension of mining operations on the gold mines for some months, in addition to which most of the Diamond Mines of South Africa have remained closed during the period under review.

A report by the General Manager will be submitted at the meeting.

In terms of clause 84, sub-section (c) of the Company's Articles of Association, three Directors retire, namely:—

Ludwig Breitmeyer,
Percival Ross Frames,
Solomon Barnato Joel,

but, being eligible, offer themselves for re-election.

Resolutions for amending the Articles of Association of the Company and for increasing the capital of the Company will be submitted to you at an Extraordinary General Meeting to take place immediately after the Ordinary General Meeting on 29th December, 1922.

G. W. COMPTON,
P. ROSS FRAMES,
F. HIRSCHHORN,
R. PHILIPSON-STOW,
W. PICKERING,
} Directors.

Kimberley,
26th September, 1922.

DE BEERS CONSOLIDATED

BALANCE SHEET,

CAPITAL :				
800,000 Preference Shares @ £2 10s. 0d. each			2,000,000 0 0	
1,000,000 Deferred Shares @ £2 10s. 0d. each			2,500,000 0 0	
				4,500,000 0 0
DE BEERS 4½% SOUTH AFRICAN EXPLORATION DEBENTURES, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January, 1930				1,635,495 0 0
RESERVES (per Contra) :				
General Fund	173,830 17 5			
Redemption Fund : South African Exploration Debentures	833,984 15 4			
		1,007,815 12 9		
Blue Ground Stocks, 30th June, 1922, at cost ...		1,719,185 13 10		
Reserve for Stabiliment of the Diamond Trade ...		2,455,076 14 1		
			5,182,078 0 8	
LIABILITY ON STOCKS AND SHARES (per Contra)			450,000 0 0	
				5,632,078 0 8
CURRENT LIABILITIES :				
Loans and Open Accounts			218,708 4 0	
Unclaimed Dividends and Sundries			54,498 9 2	
Interest on Debentures accrued to date			34,038 14 10	
Commissioners of Inland Revenue, Great Britain			173,491 0 0	
				480,736 8 0
SUSPENSE PROFIT ACCOUNT :				
Diamonds unsold at date (per contra)				333,143 9 10

CONTINGENT LIABILITY :

The Company has guaranteed the repayment of, and interest on, £1,250,000 7½% 1st Mortgage Debenture Stock issued by the Cape Explosives Works, Limited, Somerset West, Cape Province.

£12,581,452 18 6

We certify that all our requirements as Auditors have been complied with, and that we have Audited returns of the London Transfer Office, and find the same to be correct.

KIMBERLEY, 26th September, 1922.

MINES, LIMITED.

30TH JUNE, 1922.

PROPERTY :			
De Beers and Kimberley Mining Claims held under Government Licences, Dutoitspan, Bultfontein and Wesselton Mines, Wesselton Estate, and other Mining Interests	3,162,430 5 0		
Estates purchased from the London and South African Exploration Company, Limited	1,635,495 0 0		
Farms and other Landed Property	154,221 4 4		
Machinery, Permanent Works, Offices, Compounds and Stand Property	1 0 0		
		4,952,147	9 4
INVESTMENTS IN STOCKS AND SHARES		163,285	7 9
RESERVE INVESTMENTS AND INVESTMENTS FOR STABILIMENT OF THE DIAMOND TRADE (per contra) :			
Investments representing General and Debenture Redemption Funds per contra at Market Prices 30th June, 1922 ...	1,007,815 12 9		
Blue Ground on Floors :			
8,928,487 loads at cost deposited on Floors	1,719,185 13 10		
Investments in other Diamond Mining Companies and Kindred Interests (see Liability £450,000 per contra)	2,905,076 14 1		
		5,632,078	0 8
TIMBER, FUEL, AND OTHER MINING STORES		380,532	19 3
LIVE STOCK		150,393	12 5
LOAN TO SOUTH AFRICAN COLLIERIES, LIMITED, NATAL ...		220,578	15 2
DEBTORS, SPECIAL INVESTMENTS AND CASH :			
Open Accounts	113,966 17 0		
Short Loans	30,000 0 0		
Special Investments at Market Prices 30th June, 1922 ...	523,329 4 7		
Cash at Bankers and in hand—Kimberley and London ...	81,997 2 6		
		749,293	4 1
DIAMONDS on hand		333,143	9 10
		£12,581,452	18 6

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

examined the above Balance Sheet with the Accounts and Vouchers relating thereto, including the

HOWARD, PIM & HARDY,
SALISBURY, BEATON, & RAYNHAM, } *Auditors.*

DE BEERS CONSOLIDATED

Dr. PROFIT AND LOSS ACCOUNT FOR THE

To MINING EXPENDITURE			798,552 12 5
,, EXPENDITURE ON FARMS, LANDED PROPERTY AND KIMBERLEY-ALEXANDERSFONTEIN RAILWAY			129,091 3 4
,, CHARGES :			
Salaries, &c., Head Office	17,124 6 10		
General Charges	20,528 1 11		
Legal Expenses	1,220 2 6		
Donations to Public Institutions and Relief, including amount distributed in accordance with resolution of General Meeting held 22nd October, 1894	41,395 12 0		
Compensation	2,918 13 11		
Auditors' Fees	1,500 0 0		
Directors' Fees	13,280 15 2		
London Transfer Office—Net Expenses	12,645 3 5		
Subsistence Allowance to Employees	24,657 18 5		
Amounts paid to Employees during, and in lieu of Annual Leave	14,685 7 9		
		149,956 1 11	
,, INTEREST ON CAPITAL OF LEASED COMPANIES		96,392 10 0	
,, INTEREST ON DEBENTURES	73,597 5 6		
Less Union of South Africa Normal Tax, 1/6 in the £ ...	5,519 15 11		
		68,077 9 7	
,, SINKING FUND for Repayment of Debentures		86,959 13 0	
		£1,329,029 10 3	

MINES, LIMITED.

YEAR ENDING 30TH JUNE, 1922. Cr.

By Diamond Account	£401,816	6	5
„ Interest and Dividends on Investments and Adjustment of Reserve and Special Investments to Market Prices at 30th June, 1922	296,787	1	4
„ Sundry Receipts	23,992	18	7
„ Transfer Fees	367	18	0
„ Profits Realized on Investments	3,526	15	11
„ Balance carried to Appropriation Account	602,538	10	0
	£1,329,029	10	3

DE BEERS CONSOLIDATED

Dr. APPROPRIATION

To BALANCE transferred from Profit and Loss Account	602,538	10	0
,, INCOME TAX : Union of South Africa, Amount undercharged during two years ended 30th June, 1921	86,507	3	0
,, SUSPENSE PROFIT ACCOUNT : Diamonds unsold at date	333,143	9	10
	£1,022,189	2	10

KIMBERLEY, 26th September, 1922.

MINES, LIMITED.

ACCOUNT, 30TH JUNE, 1922.

Cr.

By Balance unappropriated 30th June, 1921	110,350	9	9
„ Amount transferred from General Fund	535,634	1	9
„ Suspense Profit:			
Diamonds unsold 30th June, 1921, now written back	354,381	7	2
„ Reserve for the Stabiliment of the Diamond Trade:			
Amount released during the year	21,823	4	2
	£1,022,189	2	10

E. F. RAYNHAM, *Secretary.*
JNO. A. NEVILLE, *Chief Accountant.*

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

TABLE No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

" " 2—DE BEERS MINE.

" " 3—WESSELTON MINE.

" " 4—BULTFONTEIN MINE.

" " 5—DUTOITSPAN MINE.

" " 6—TAILINGS.

" " 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
March 31st, 1889 Prior to Consolidation.	944,706	712,263	914,121	£ s. d. 901,818 0 5	1·283	s. d. 19 8·75	s. d. 25 3·75	s d. 9 10·5	476,403
March 31st, 1890	2,192,226	1,251,245	1,450,605	2,330,179 16 3	1·15	32 6·75	37 2·75	8 10·5	1,576,821
March 31st, 1891	1,978,153	2,029,588	2,020,515	2,974,670 9 0	·99	29 6	29 3·75	8 8	1,525,386
*June 30th, 1892	3,338,553	3,239,134	3,035,481	3,931,542 11 1	·92	25 6	23 5	7 4·3	1,624,805
June 30th, 1893	3,090,183	2,108,626	2,229,805	3,239,389 8 6	1·05	29 0·6	30 6	6 11·6	2,606,362
June 30th, 1894	2,999,431	2,577,460	2,308,463½	2,820,172 3 9	·89	24 5·2	21 10·6	6 6·8	3,028,333
June 30th, 1895	2,525,717	2,854,817	2,435,541½	3,105,957 15 8	·85	25 6	21 8	6 10·8	2,699,233
June 30th, 1896	2,698,109	2,597,026	2,363,437¾	3,165,382 1 4	·91	26 9·4	24 4·5	7 0·1	2,800,316
June 30th, 1897	2,515,889	3,011,288	2,769,422¾	3,722,099 3 3	·92	26 10·6	24 8·6	7 4·3	2,304,917
June 30th, 1898	3,332,688	3,259,692	2,603,250	3,451,214 15 3	·80	26 6·2	21 2·1	6 7·4	2,377,913
June 30th, 1899	3,504,899	3,311,773	2,345,466	3,471,060 12 1	·71	29 7·2	20 11·5	6 7·7	2,937,784
June 30th, 1900	1,673,664	1,522,108	1,000,964	1,794,222 9 11	·67	35 10·2	23 6·9	7 6·2	2,722,595
June 30th, 1901	2,120,397	2,616,873	2,000,495¾	3,959,383 0 11	·76	39 7	30 3·1	8 5	2,226,119
June 30th, 1902	2,062,459	1,961,858	1,499,299¼	3,484,247 11 7	·76	46 5·7	35 6·2	8 5·6	2,326,720
June 30th, 1903	2,370,503	2,561,940	1,574,189½	3,819,653 10 1	·61	48 6·3	29 9·8	7 3·1	2,135,283
June 30th, 1904	2,440,895	2,401,099	1,303,525½	3,192,798 4 1	·54	48 11·8	26 7·1	7 4·7	2,175,079
June 30th, 1905	2,447,850	2,418,158	1,108,980	2,929,589 8 0	·46	52 10	24 2·76	7 7·93	2,204,771
June 30th, 1906	2,253,988	2,119,363	861,023¼	2,626,533 5 4	·41	61 0·11	24 9·43	8 2·91	2,339,396
June 30th, 1907	2,103,853	1,467,456	543,752¾	1,762,080 19 10	·37	64 9·74	24 0·2	9 0·82	3,213,875
June 30th, 1908	1,208,974	1,130,673	414,121½	*a*822,287 11 5	·37	*b*58 0·8	*c*21 5·8	6 8·2	3,323,237

*These figures are for a period of fifteen months.

(*a*) Includes stocks on hand at cost of production.
(*b* & *c*) Calculated on basis of diamonds sold only

[*Continued over.*

TABLE No. 1.—DE BEERS AND KIMBERLEY MINES—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	490,112	1,402,894	6/9·87	589,303¾	42	46/7·79	19/7·11	2,410,455
June 30th, 1910	431,339	1,808,734	8/5·29	693,482¾	38	47/9·24	18/1·83	1,033,060
June 30th, 1911	445,169	1,230,491	8/7·67	350,662½	28	51/6·29	14/5·12	247,738
June 30th, 1912	323,621	378,614	13/6·78	119,013	31	53/11·47	16/8·716	192,745
June 30th, 1913	351,347	419,881	11/0·67	120,514¾	29	67/3·74	19/6·24	124,211

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1914	Nil.	75,815	6/7·34	27,346½	36	80/10·21	29/1·28	48,396
June 30th, 1915	Nil.	Nil.	Nil.	83	—	—	—	48,396
June 30th, 1916	Nil.	Nil	Nil.	38½	—	—	—	48,396
June 30th, 1917	Nil.	Nil.	Nil.	41	—	—	—	48,396
June 30th, 1918	Nil.	Nil.	Nil.	206	—	—	—	48,396
June 30th, 1919	Nil.	Nil.	Nil.	94¼	—	—	—	48,396
June 30th, 1920	Nil.	Nil.	Nil.	35	—	—	—	48,396
June 30th, 1921	Nil.	Nil.	Nil.	—	—	—	—	48,396
June 30th, 1922	Nil.	Nil.	Nil.	—	—	—	—	48,396

KIMBERLEY MINE.

June 30th, 1917	*76 cts.	* Includes 9½ carats debris.
June 30th, 1918	109¾ cts.	
June 30th, 1919	147½ cts.	
June 30th, 1920	207 cts.	
June 30th, 1921	920 cts.	
June 30th, 1922	157¾ cts.	

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1897	271,777	...	...	...	...	...	...	...	271,777
June 30th, 1898	1,146,984	691,722	189,356¼	196,659 18 8	·27	20 9·3	5 8·2	2 7·1	727,039
June 30th, 1899	2,032,771	1,662,778	496,762¼	567,360 11 7	·30	22 10·1	6 9·8	2 3·3	1,097,032
June 30th, 1900	980,210	736,929	220,762½	276,191 6 6	·30	25 0·2	7 5·9	2 7·5	1,340,313
June 30th 1901	1,571,631	1,517,981	447,399¾	610,831 4 10	·295	27 3·7	8 0·6	3 0·9	1,393,963
June 30th, 1902	1,932,140	1,752,189	521,437¾	873,203 9 2	·30	33 5·9	9 11·6	3 5·2	1,573,914
June 30th, 1903	1,987,543	1,989,598	594,890½	1,021,276 17 10	·30	34 4	10 3·2	3 3·7	1,571,859
June 30th, 1904	1,919,304	2,134,903	605,241	1,055,269 0 0	·28	34 10·45	9 10·6	3 7·3	1,356,260
June 30th, 1905	2,068,278	2,032,582	578,152	1,067,474 17 1	·284	36 11·13	10 6·04	3 9·74	1,391,956
June 30th, 1906	2,433,905	1,935,905	546,754¼	1,196,624 6 11	·28	43 9·26	12 4·35	4 0·55	1,889,956
June 30th, 1907	2,104,308	1,891,461	604,915½	1,243,360 9 5	·32	41 1·3	13 1·76	5 8·87	2,102,803
June 30th, 1908	1,524,099	1,719,737	457,028	*a*775,088 4 11	·27	*b*38 11·41	*c*10 6·2	4 8·73	1,907,165

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

[*Continued over.*

TABLE No. 3.—WESSELTON MINE—*Continued.*

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding lumps.
June 30th, 1909	1,853,562	1,798,160	4/5·09	618,118	34	32/2·94	10/11·56	1,962,567
June 30th, 1910	1,702,237	2,139,738	5/5·82	674,323¼	32	34/3·58	10/11·7	1,525,066
June 30th, 1911	2,422,487	1,423,117	4/9·09	390,192½	27	37/9·6	10/2·47	2,524,436
June 30th, 1912	2,573,398	2,020,291	4/7·576	581,973½	29	45/3·12	13/1·504	3,077,543
June 30th, 1913	2,226,157	2,143,232	4/4·45	576,458	27	51/2·88	13/10·02	3,160,468
June 30th, 1914	2,373,522	2,083,352	4/7·28	593,305	28	45/7·62	12/9·33	3,450,638
*June 30th, 1915	217,483	219,276	4/8·6	56,359¼	26	37/7·13	9/9·29	3,448,845
June 30th, 1916	43,586	885,334	...	227,914¼	26	44/2·31	11/5·8	2,607,097
June 30th, 1917	1,814,393	1,669,104	4/9·959	455,665¾	27	53/9·27	14/6·22	2,752,386
June 30th, 1918	2,065,620	1,805,436	4/10·94	487,828¼	27	54/9·76	14/9·59	3,012,570
June 30th, 1919	1,035,311	1,657,146	6/7·19	403,039¾	24	69/11·79	16/9·55	2,390,735
June 30th, 1920	1,927,178	1,646,895	8/4·97	401,531½	24	119/1·25	28/7·02	2,671,018
June 30th, 1921	845,295	832,442	11/9·54	217,761	26	136/0·54	35/4·46	2,683,871
June 30th, 1922	Nil	Nil	—	487¾	—	—	—	2,683,871

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

*Productive operations suspended, 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1901	148,086	...	65	146 5 0	...	45 0	...	...	148,086
June 30th, 1902	353,042	20,194	4,486½	6,817 5 6	·21	30 4·7	6 9	6 6·4	480,934
June 30th, 1903	318,410	317,185	76,573¼	118,102 3 0	·24	30 10·2	7 5·4	5 9	482,159
June 30th, 1904	429,729	514,385	148,219	219,711 14 6	·29	29 7·76	8 6·5	5 9	397,503
June 30th, 1905	605,730	611,491	249,002¾	434,902 15 3	·41	34 11·18	14 2·69	5 10·47	391,742
June 30th, 1906	1,771,372	953,296	346,072	743,317 10 5	·36	42 11·49	15 7·14	5 5·26	1,209,818
June 30th, 1907	2,320,538	1,728,047	547,485¼	1,191,551 15 4	·32	43 6·34	13 9·49	6 2·4	1,802,309
June 30th, 1908	1,319,720	1,275,838	411,386¾	*a*704,741 15 4	·32	*b*41 4·8	*c*13 2·97	6 1·86	1,846,191

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps
June 30th, 1909	1,214,301	1,573,118	6/7·39	602,456½	38	33/5·4	12/8·53	1,487,374
June 30th, 1910	2,099,173	1,818,509	4/3·48	667,840	37	32/1·62	11/10·68	1,768,038
June 30th, 1911	2,457,412	1,866,212	3/11·45	700,398¾	38	35/0·52	13/3·79	2,359,238
June 30th, 1912	2,334,720	2,025,450	3/11·357	834,760½	41	40/8·242	16/8·179	2,668,508
June 30th, 1913	2,313,477	2,096,378	4/1·28	874,430¼	42	45/9·29	19/2·7	2,885,607
June 30th, 1914	2,279,838	2,069,552	4/4·29	788,510¾	38	40/10·47	15/6·38	3,095,893
*June 30th, 1915	256,950	214,522	4/2·4	76,084	35	33/6·86	11/9	3,138,321
June 30th, 1916	60,997	864,052	...	342,676½	40	39/11·09	15/11·6	2,335,266
June 30th, 1917	2,092,267	1,761,756	3/9·856	675,401¾	38	46/11	17/9·94	2,665,777
June 30th, 1918	2,328,615	1,859,531	3/11·61	646,927½	35	49/9·62	17/5·16	3,134,861
June 30th, 1919	1,262,942	1,629,198	5/6·39	507,858¾	31	63/5·38	19/8·03	2,768,605
June 30th, 1920	*2,021,026	2,251,257	7/3·99	663,419¾	29	102/10·29	29/9·94	2,538,374
June 30th, 1921	934,537	670,907	11/0·51	233,924¼	35	109/4·26	38/3·29	2,802,004
June 30th, 1922	Nil	Nil	—	108	—	—	—	2,802,004

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.
*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Carats of Diamonds found.	Value of Diamonds produced.	Carats per Load.	Value per Carat.	Value per Load.	Cost of Production per Load.	Loads of Blue Ground on Floors at close of Year, excluding Lumps.
				£ s. d.		s. d.	s. d.	s. d.	
June 30th, 1904 Development.	39,914	24,359	3,032¼	6,457 6 5	·12	...	...	...	15,555
June 30th, 1905	311,499	65,784	17,121½	59,846 18 8	·26	69 10·93	18 2·34	12 3·56	261,270
June 30th, 1906	1,685,714	617,028	151,335¼	612,607 19 4	·25	80 11·52	19 10·28	7 1·49	1,329,956
June 30th, 1907	2,481,987	1,539,327	365,821½	1,455,330 0 6	·24	79 6·78	18 10·9	6 5·84	2,272,616
June 30th, 1908	1,444,989	839,075	190,737¾	*a*612,530 6 6	·23	*b*74 5·07	*c*17 1·4	5 6·24	2,878,530

(*a*) Includes stocks on hand at cost of production. (*b* & *c*) Calculated on basis of diamonds sold only.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Cost of Production per Load.	Carats of Diamonds found.	Carats per 100 Loads.	Value per Carat.	Value per Load.	Loads of Blue Ground on Floors at close of year, excluding Lumps.
June 30th, 1909	Nil.	Nil.	...	115	...	57/7·52	...	2,878,530
June 30th, 1910	878,775	917,175	5/5·34	210,099¾	23	68/1·46	15/8·02	2,840,130
June 30th, 1911	2,780,070	2,335,240	4/7·09	482,971½	21	73/6·5	15/5·325	3,284,960
June 30th, 1912	2,718,703	1,845,796	3/10·665	428,213½	23	83/0·132	19/1·11	*f* 4,096,394
June 30th, 1913	2,491,235	2,330,234	4/2·09	540,033	23	93/0·45	21/4·78	4,257,395
June 30th, 1914	2,513,469	2,412,679	4/1·49	497,459	21	84/0·9	17/7·87	4,358,185
d June 30th, 1915	264,039	280,324	4/5·2	55,609¾	20	68/6·25	13/8·45	4,341,900
June 30th, 1916	Nil.	108,597	...	20,740¼	19	91/0·26	17/3·48	4,233,303
June 30th, 1917	135,650	1,957,335	6/1·366	*e* 377,571¼	19	106/11·93	20/3·94	2,411,618
June 30th, 1918	2,200,843	2,178,132	3/8·8	422,657¾	19	108/6·22	20/7·42	2,434,329
June 30th, 1919	1,389,883	1,066,465	4/9·39	180,983	17	139/9·77	23/9·22	2,757,747
June 30th, 1920	1,796,573	1,892,558	6/8·48	305,587	16	221/2·36	35/4·7	2,661,762
June 30th, 1921	861,651	830,424	9/7·90	132,497	16	248/4·68	39/8·91	*g* 2,682,410
June 30th, 1922	335	—	—	242½	—	—	—	2,682,745

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

d Productive operations suspended 8th August, 1914, owing to the war. *e* Includes 9 cts. debris. *f* 61,473 loads hard blue transferred to lumps.

g 10,579 loads hard blue transferred to lumps.

TABLE No. 6.
TAILINGS.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.	Value of Diamonds Produced.		
			£	s.	d.
June 30th, 1901	265,239	50,147½	58,484	12	6
June 30th, 1902	1,151,816	202,830	251,870	12	3
June 30th, 1903	1,347,115	227,477	281,433	18	0
June 30th, 1904	1,881,090	399,065½	442,771	13	5
June 30th, 1905	1,616,030	257,059¾	311,030	7	2
June 30th, 1906	2,200,964	306,190¾	428,177	0	0
June 30th, 1907	4,370,221	557,897¼	800,273	5	0
June 30th, 1908	2,986,778	385,857	*a* 439,876	8	5

(*a*) Includes stocks on hand at cost of production.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1909	632,857	61,123¼
June 30th, 1910	1,394,641	170,919½
June 30th, 1911	2,359,021	256,631¼
June 30th, 1912	1,440,914	123,431½
June 30th, 1913	1,705,938	182,032½
June 30th, 1914	765,880	82,488¼
*June 30th, 1915	3,956	411
June 30th, 1916	—	—
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—
June 30th, 1921	—	—
June 30th, 1922	—	—

Owing to changes in working and accounting it has been found more convenient to substitute the above form of table as from, and including, the year ended 30th June, 1909.

TABLE No. 7.
KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Carats of Diamonds found.
June 30th, 1914	1,104,577	94,276¼
*June 30th, 1915	153,257	12,218½
June 30th, 1916	—	37½
June 30th, 1917	—	—
June 30th, 1918	—	—
June 30th, 1919	—	—
June 30th, 1920	—	—
June 30th, 1921	—	—
June 30th, 1922	—	—

*Productive operations suspended 8th August, 1914, owing to the war.

GENERAL MANAGER'S REPORT.

To the Directors,

DE BEERS CONSOLIDATED MINES, LIMITED.

Gentlemen,

I beg to submit for your consideration my Report for the year ended 30th June, 1922:—

DE BEERS MINE.

No mining was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 3,283 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of the Rock Shaft is 2,640 feet.

The depth of No. 1 Shaft is 1,728 feet.

DE BEERS FLOORS.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

The stock of reef and blue mixed remains at 571,176 loads.

WESSELTON MINE.

No mining of blue ground was done during the year.

Quantity of Blue Ground in Sight.—We have in sight above the 980 foot level 7,600,000 loads. It is estimated that between the 980 foot level and the 1,600 foot level there are 24,000,000 loads.

Water.—The average quantity of water pumped from the mine was 51,111 gallons per hour.

The depth of No. 1 Main Rock Shaft is 1,119 feet.

The depth of No. 2 Main Rock Shaft is 1,756 feet.

WESSELTON FLOORS.

No washing was done during the year, and the stock of blue ground remains at 2,683,871 loads.

BULTFONTEIN MINE.

No mining of blue ground was done during the year.

Quantity of Blue Ground in Sight.—We have in sight above the 1,000 foot level 1,000,000 loads. It is estimated that between the 1,000 foot level and the 1,600 foot level there are 22,000,000 loads.

Water.—The average quantity of water pumped from the mine was 17,231 gallons per hour.

The depth of No. 1 Main Rock Shaft is 708 feet.

The depth of No. 2 Main Rock Shaft is 1,715 feet.

BULTFONTEIN FLOORS.

No washing was done during the year, and the stocks remain at 2,802,004 loads of blue ground and 220,655 loads of cylinder lumps.

DUTOITSPAN MINE.

No mining of blue ground was done during the year.

Quantity of Blue Ground in Sight.—We have in sight above the 750 foot level 9,500,000 loads. It is estimated that between the 750 foot level and the 1,350 foot level there are 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 6,374 gallons per hour.

The depth of No. 1 Main Rock Shaft is 1,424 feet.

The depth of No. 2 Main Rock Shaft is 768 feet.

DUTOITSPAN FLOORS.

No washing was done during the year, and the stocks remain at 2,682,410 loads of blue ground and 490,816 loads of cylinder lumps.

For purposes of test 335 loads of blue ground, taken direct from the mine, are lying at the Pulsator.

SUMMARY OF STOCKS AT 30th JUNE, 1922—LOADS.

	BLUE.	LUMPS	TOTAL.
De Beers Mine ...	48,396	—	48,396
Kimberley Mine ...	—	—	—
Wesselton Mine ...	2,683,871	—	2,683,871
Bultfontein Mine ...	2,802,004	220,655	3,022,659
Dutoitspan Mine ...	2,682,745	490,816	3,173,561
Total	8,217,016	711,471	8,928,487

REEF AND BLUE MIXED.

Kimberley Mine ... 571,176

GENERAL REMARKS.

Cessation of Mining Operations.—There was no improvement in the market for rough diamonds during the year, and it therefore became necessary to further reduce the number of white employees—from 1,865 to 1,234.

Tramways.—In addition to the Company's employees, who travel free of charge to and from work, and school children and shop assistants, who are conveyed at reduced fares, 3,615,761 passengers were carried during the year, as against 4,499,909 for the previous year. The total number of passengers carried amounted to 5,625,802.

The tramway system to the West End was extended to the City Council's new township, and the lines on the Market Square were duplicated in order to facilitate the handling of traffic at that point.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 1,446,779 units, as against 1,394,648 units for the previous year.

Central Power Station.—The assembly and equipment of the two new 6,000 k.w. Turbo-Generating Plants have now been completed.

Rainfall.—The rainfall for the year, registered at Kenilworth, was 10.09 inches, as compared with 16.07 for the previous year.

The rainfall for the last seven years was as follows:—

Year	ended	30th	June,	1916	...	11.56 inches
,,	,,	,,	,,	1917	...	12.23 ,,
,,	,,	,,	,,	1918	...	13.77 ,,
,,	,,	,,	,,	1919	...	15.87 ,,
,,	,,	,,	,,	1920	...	18.81 ,,
,,	,,	,,	,,	1921	...	16.07 ,,
,,	,,	,,	,,	1922	...	10.09 ,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1922, was approximately 735,759,000 gallons, as compared with approximately 830,000,000 gallons on the 30th June, 1921.

Wesselton Mine.—High lift electrically operated centrifugal pumps, together with the necessary transformers and switch gear, have been installed at the 1,600 foot level and put into service.

Wesselton and Dutoitspan Direct-Treatment Machine.—During the year the mechanics at the Workshops have been employed, whenever possible, on the making of the direct-treatment plant.

Employees.—The number of white employees at 30th June, 1922, was 1,092 men and 142 lads, as compared with 1,701 men and 164 lads at 30th June, 1921.

The number of natives employed at 30th June, 1922, was 1,004, as compared with 2,521 at 30th June, 1921.

In conclusion, I beg to thank the Directors of the Company, the various heads of departments and the men under them, for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,
General Manager.

Kimberley,
2nd October, 1922.

De Beers Consolidated Mines, Limited.

Thirty-fourth Ordinary General Meeting.

The Thirty-fourth Ordinary General Meeting of Shareholders of De Beers Consolidated Mines, Limited, was held in the Board Room at the Company's Offices in Stockdale Street, Kimberley, on Friday, 29th December, 1922. Colonel Sir David Harris, K.C.M.G., V.D., M.L.A., presided, and the Shareholders present were Mr. G. W. Compton, Mr. F. Hirschhorn, Mr. P. Ross Frames, C.M.G. (and q.q. Mr. Gerald C. Fitzpatrick), Mr. R. Philipson-Stow, Mr. W. Pickering, D.S.O., J.P. (and q.q. Mr. Andrew Gloag, Cheung Kung, Leong Kwok Chung, Leong Peng Young, and Leong Houng), Mr. Alpheus F. Williams, Mr. A. Wearn (and q.q. Mr. A. Brink, Mrs. R. McFarland, Mrs. Jane Gray, estate of the late A. Kiddie, estate of the late C. A. E. H. Meyer), Mr. E. W. Weatherby, Mr. H. Rose-Innes, Mr. B. H. Giddy, Lieutenant-Colonel H. S. Harris, C.B.E., Mr. H. J. Lancaster, Mr. F. L. van Eyssen, Mr. T. Rowe English, Mr. Alex. S. Gibson, Mr. Joseph Buck, Mr. L. McBean, Mr. W. H. Sneddon, Mr. W. G. S. McCartney, Mr. Abraham Hyam, Mr. S. Schrire, Mr. C. Anhaeuser, Mr. P. Sussman, Mr. Colin W. Lawrence, Mr. H. J. Saunders, Mr. James Johnstone, Dr. S. Zweiback, Mr. C. E. Hertog (the Company's solicitor), and Mr. E. F. Raynham, D.S.O. (Secretary).

Sir David Harris held proxies representing 159,546 shares.

Mr. F. Hirschhorn held proxies representing 23,308 shares.

Mr. R. Philipson-Stow held proxies representing 6,328 shares.

The Secretary read the notice convening the meeting, and afterwards the minutes of the last annual meeting held on December 9th, 1921, which were confirmed.

Mr. T. Rowe English proposed that as the Directors' report and statement of accounts had been circulated amongst Shareholders they be taken as read.

This was seconded by Mr. H. Rose-Innes, and carried.

Sir David Harris then rose to move the adoption of the report of the Directors and the financial statement, and was received with applause. He said:—

It is with sincere regret that I have to preface my remarks with very mournful references to the recent demise of Sir Carl Meyer, Bart., who was a Director of this Company since its inception in 1888, and who for many years occupied the position of Deputy Chairman. He was a man of vast financial and business experience, of which De Beers had the full benefit; he was sincerely and whole-heartedly devoted to its interests, and made several visits to South Africa to make himself acquainted with the inner working of the Company. We feel his loss very acutely, not only as a loyal colleague, but as a staunch friend and wise counsellor. No man in this world is indispensable, but it will not be easy to replace the departed Baronet. I feel I am safe in saying that the deepest sympathy of this meeting goes out to Lady Meyer in the great loss she has sustained. (Hear, hear.)

During the year, went on Sir David, Mr. Gardner F. Williams was gathered to his fathers, at a ripe old age, to the great regret of all those who had the pleasure of his acquaintance. For 18 years he was General Manager of this Company, earning the confidence of the Board and the respect of the employees. This Company owes much to his great skill as a mining engineer and organiser. During his retirement he was always in touch with and took an interest in everything that concerned De Beers. He is gone, but his memory remains with us as an upright gentleman, a true friend and a delightful companion. (Hear, hear.)

I intend, proceeded the Chairman, following the usual custom of first dealing with the accounts, and subsequently making some general remarks which I think may be of interest to Shareholders and others.

Although there have been no changes in capital account and debenture debt since last year, an Extraordinary General Meeting of Shareholders will be held immediately after the termination of this meeting, when proposals will be submitted for an increase in the Company's Deferred Share Capital.

During the year under review our cash reserves represented by the General Fund have been reduced from £700,000 to £173,800, so that the Company could meet its obligations, pay salaries and wages to its employees to enable them to weather the storm, and in many cases to subsist.

This fund stood at the figure of £1,844,000 at June 30th, 1920, just before the depression suddenly fell upon us. Thus it will be seen that during the two years ended 30th June, 1922, the Company has drawn on its reserve to the extent of £1,670,000, whilst during the twelve months ended 31st December, 1921, the Syndicate were only able to sell £150,000 of De Beers diamonds. These figures should convey to Shareholders some idea of the anxiety and responsibility of their Directors during the difficult times we have lately passed through.

The reserve for the stabiliment of the diamond trade has been reduced from £2,476,900 to £2,455,000, owing to the liquidation of some South-West African Companies in which we held shares.

The reserve and stabiliment accounts are quite distinct from our cash reserves. At one time some misconception existed regarding these two important items, but I hope the full explanation I made last year will have enlightened Shareholders and others.

The usual augmentation of our Debenture Redemption Fund has taken place, increasing this reserve during the year from £746,475 to £834,000 invested in gilt-edged securities or in purchasing these debentures when opportunities offer.

Our current liabilities amounted to £480,736, including the sum of £173,491 alleged to be due to the Commissioners of Inland Revenue of Great Britain, mainly for tax on profits derived in previous years from our participation in the purchase and sale of South-West Africa diamonds.

These liabilities are amply covered by cash assets amounting to £749,000, shown on the credit side of the Balance Sheet.

Shareholders will observe that the Company has a contingent liability in respect of the repayment of capital and payment of interest on £1,250,000 7½ Per Cent. First Mortgage Debenture Stock issued by the Cape Explosives Works, Limited, Somerset West, Cape Province. In this connection I might inform you that the Cape Explosives Works had ample funds lodged with us to meet their half-yearly Debenture interest due on the 1st July last, and more than sufficient to pay that obligation on the 31st instant.

Coming to the Profit and Loss Account, you will observe that under the heading of Mining Expenditure appears the sum of £798,552 12s. 5d. Although productive operations had ceased completely at the end of March, 1921, it was considered advisable to find employment for a large number of men who otherwise would have been idle, to prevent which we carried out on a large scale certain construction work which was not at all urgent but which we decided to undertake to prevent unemployment. The expenditure on construction work, including heavy commitments for machinery and other stores at the outbreak of the depression, amounted to nearly £400,000.

In addition, a certain amount of development work went on in the mines, which also required pumping and maintaining in good order, bringing the total mining expenditure to the figure of £798,552 12s. 5d. before mentioned.

The abnormally large figure of £129,091 3s. 4d. appears against the heading of expenditure on farms, landed property, and Kimberley-Alexandersfontein Electric Railway.

Owing to the glut in the world's meat market, and with the resultant lowering of the selling value of livestock we found it necessary to write down our farm livestock both in Rhodesia and the Union very heavily indeed. This considerable depreciation is reflected in the aforementioned figure of £129,091 3s. 4d. to the extent of £96,400, whilst new equipment and extensions for the electric railway cost very nearly £20,000.

The expenditure appearing in the account called " Charges " amounts to £149,956, the main items being donations and relief £41,395 12s. (this item is practically all relief to those in distress) and " subsistence allowance to employees " for whom work could not be found during the year under review, amounting to £24,658, and in addition amounts paid to employees in lieu of annual leave totalled £14,685.

The fixed annual charges for interest on capital of leased companies, interest on debentures, and the annual contribution for repayment of debentures absorbed an amount of £251,429.

Turning to the credit side of the Profit and Loss Account, you will see that our diamond sales amounted to the sum of £401,816 only; this is the smallest amount shown in any year in the Company's history. In arriving at this figure the stocks representing diamonds produced from our own mines are brought in at a nominal figure only, because, as previously pointed out, it is most impolitic to consider diamonds as income until they are actually sold.

The income arising under the heading of "Interest and dividends on investments" is represented by £125,406 for interest, and £171,381, the appreciated market value of our reserve and special investments, making a total of £296,787 under this heading.

During the war and after we had to face year after year heavy writings down of our securities owing to the many attractive issues of loans, etc., then placed before the investing public. When the deflation in prices all over the world took place money gradually became cheaper, and a reaction in favour of first-class Government securities estab-

lished itself, and as the demand for these securities was in excess of the supply their values naturally went up, and I think I can safely say that the present values are more normal and stable than they were at the time we found it incumbent upon ourselves to write down so heavily.

I think I have now dealt with the salient points in the accounts, excepting the important item of loss for the year amounting to £602,538 10s. transferred to appropriation account.

An examination of this account shows that it was necessary to draw on our General Reserve Fund towards meeting this loss.

The item of £86,507 for Union of South Africa income tax relates to the period of two years ended 30th June, 1921. At the end of June, 1920, your Directors, after careful consideration, decided that it would be sound policy to take the diamond stocks on hand at that date at a nominal figure only leaving Profit and Loss Account to get credit for same only when sold. The Commissioner for Inland Revenue, however, for taxing purposes opposed this contention, which involved us in litigation, which, I regret to say, resulted in the Commissioner's view being upheld after going to appeal. This accounts for the belated appearance of the charge of £86,507 for South African tax.

I have, I think, dealt with all the important figures in the accounts.

On the 27th of last month washing operations were resumed on a very limited scale after a period of twenty months of complete inactivity. When deciding to resume operations the Board had to face the very serious problem of dealing with a large number of surplus employees. After most careful and prolonged consideration, it was resolved to retire daily paid employees who had attained the age of 60, and also members of the staff working underground who had attained that age, whilst members of the staff who did not work underground should retire at the age of 63. This policy means, of course, the retirement from the Company of many old and valued servants. The Company, however, is not dispensing with the services of these employees without making due provision for their future, which will cost the Company about £50,000 per annum. I do not think I am exaggerating when I say that with few exceptions these men spent half their lives in the service of the Company, and we felt we could not dispense with their services without granting them some reward for loyal and faithful work. This Company has no pension or provident fund; we pay high salaries and maximum trade rates. The allowances I have mentioned are not obligatory, but purely voluntary. This method of dealing with old employees when reaching a certain age, or when past work, is unsatisfactory, but it is hoped that it will enable these old and respected employees to enter upon a well-earned period of rest, and also make for greater efficiency, and be the means of speeding up promotion for the present and future employees of the Company. I think the men themselves would prefer contributing to a Provident or Pension Fund supported by the Company, so that what they receive on retirement they would be entitled to, and would not be entirely dependent on the grace and generosity of the Company, and it is the intention of the Board to go into the matter and see if anything can be done on these lines.

Practically the whole of our cash reserves were exhausted during the last slump. Fortunately it was not necessary to entrench on the £834,000 set aside towards the redemption of the London and South African Exploration 4½ per cent. Debentures, which is the accumulation of many years, but it was touch and go; however, I am pleased to say that this sum remains intact, as will be seen in the accounts. You will remember that we had a slump in 1907-1908 owing to the American financial crisis, and another in 1914-1915 on the outbreak of war, but the recent crisis was the severest we have experienced, lasting as long as the two previously-mentioned combined. We calculated that our cash reserves were sufficient to tide the Company over a depression lasting a year, which was the extent of those I have just mentioned, but the recent crisis continued for nearly two years, taxing our cash resources beyond anything anticipated. From former experience

we did not estimate such a prolonged depression or such an immense falling off in sales; however, we are turning the corner, and trust there are better times ahead. (Hear, hear.) The Company's cash resources are built up year by year from undistributed profits to provide for contingencies and with due regard to the rights of Shareholders. We cannot build up a reserve sufficient to provide against an earthquake or to last for a decade or two; that would be unreasonable—I might say impracticable. No body of Shareholders would support Directors who would act so stupidly. The reserve created enabled us to tide over nearly two years' depression, keep our mines and machinery in good condition, pay all fixed charges and obligations, and to assist a large number of our employees when we could not find any work for them. (Hear, hear.)

The diamond market, which for a period of nearly two years was practically in a stagnant condition, is at last slowly but surely emerging from probably the greatest depression the civilised world has ever experienced. Signs of revival commenced in April last, and sales to a limited extent have continued up to date. The average monthly sales are far below the normal years of 1912, 1913 and 1914, which I attribute to the disturbed state of Europe, the Exchanges, and the large quantity of diamonds forced on to the market by Russia. We cannot hope to do business of normal dimensions until the world trade generally flows into the well-balanced pre-war-channels. It was only during and after the Great War that financial experts realised how remarkably and delicately balanced was the interchange of trade before the war between all countries in the world, but when this balance was upset by the unprecedented financial disturbance and the huge forces employed in the war, chaos resulted.

Order is now being gradually restored, and the return to normal trade conditions eagerly awaited. America continues to be our best customer, and as the financial and industrial position of the United States appears to be in a fairly sound condition we do not apprehend any falling off in the demand from that quarter. The policy of control undoubtedly saved the situation, and preserved for our Shareholders and the Union an industry which is vital to the former and of great importance to the latter. If the Syndicate had, pari passu with the Russians, forced diamonds on an unwilling market, prices would have come down with a crash without sales being effected, consternation created throughout the whole trade, important firms of cutters and polishers in Amsterdam and Antwerp ruined, the effect on America would have been disastrous, and the recovery of the diamond market delayed for a very long period. The policy of control enabled the traders to dispose of a portion of their large stocks, greatly eased their finances, and encouraged them to purchase again with confidence, feeling that, should occasion arise, they could rely on the four big producers and the Syndicate continuing the same policy of not offering diamonds in competition with stocks held by the trade, on which large bank credits were outstanding.

In this connection, I may state that yesterday I received a cable message from Mr. S. B. Joel to the following effect:—That after protracted negotiations I have practically concluded agreement whereby diamonds produced by Congo and Angola will be disposed of in conjunction with the Diamond Syndicate, thereby re-establishing full control of the disposal of all the principal producers' diamonds. (Applause.)

Allow me to give you an example of how an essential commodity used and consumed daily can fall in price. Animal transport over nearly the whole of Europe and America has given way to motor driven vehicles, resulting in an enormous consumption of rubber, which is produced in many lands and not controlled, yet owing to unrestricted supplies the price per pound, which reached 7/3½ in January, 1916, only realised 6¾d. during many months of the current year. (Exclamations of surprise.) I need hardly tell you that at this price, which was below the cost of production, many millions and enormous fortunes were lost, and several concerns wiped out. Object lessons of this character should be taken to heart by producers of extreme luxuries.

Well, gentlemen, I need hardly tell you that we have passed through a very trying time; our Shareholders, employees, and the commercial community have all suffered

through the unprecedentedly long depression. At the last Annual Meeting of Shareholders I dealt rather fully with this matter, and I do not intend going over the same ground. To boil the whole thing down, it amounts to this—we could not sell our product, and in consequence were compelled to decrease our expenditure; we would not have done so in a temporary lull, but when we felt that the slump would be protracted we were compelled to shorten sail in the interests of all concerned. I think you will agree that in all commercial undertakings expenditure must bear some relation to revenue. The merchant or trader who, after exhausting his reserves, allows his expenditure to exceed his income, is heading straight for the bankruptcy court. The same applies to Companies. Many nations have come to grief through excess of expenditure over revenue. Before the Great War many big States with large populations and enormous resources failed to meet their obligations, could not pay the interest on loans, and are to-day discredited in the money markets of the world. Your Directors felt acutely the great responsibility that rested upon them, and were loth to stop mining and dismiss men. We knew the commercial community would suffer for the time being, but were convinced that the policy we decided to adopt would, in the long run, preserve this important industry for all those directly and indirectly concerned. (Hear, hear.)

As mentioned in the Directors' Report, a Conference of representatives of the four large producers and of the Diamond Syndicate was held in Capetown in April last, when certain modifications of the existing contracts between the producers and the Syndicate were agreed upon to meet the altered conditions and in the interest of all concerned. I may add that a further Conference was held here this month, when a satisfactory arrangement was entered into for the firm sale of an important quantity of diamonds for the six months ending 30th June, 1923, the Syndicate agreeing to purchase a further like amount for the second half of 1923, contingent on the sales effected during the first period. If the Syndicate dispose of a stated amount of diamonds up to 30th June next, then it becomes obligatory on them to purchase firm the value of diamonds mutually agreed on. We anticipate a fairly steady demand next year, and the indications are so encouraging that we fully expect the Syndicate will have to make the second purchase for the latter half of 1923. (Applause.)

With every consideration and sympathy for the commercial community of Kimberley, we cannot shape our policy to suit their particular trades; storekeepers who establish themselves here elect to throw in their lot with the paramount industry, naturally benefiting in its prosperity, and suffering in a lesser degree than De Beers and its employees in times of depression and adversity. Speaking for my colleagues and myself, we would delight in seeing every resident smiling and prosperous; for us that would indeed be a happy state, but unfortunately we, in common with all industries, have periods of depression owing to world's conditions over which we cannot exercise the slightest control. To cast blame on this Board for market fluctuations and decreased demand is childish and ridiculous; I am somewhat surprised that we have not been accused of bringing about the Great War, and for any storekeeper to approach the Government urging the declaration of martial law when a slump occurs, is, to say the least, either an act of lunacy or the outcome of hysteria. (Hear, hear.)

At the end of the present year there will be due to Preference Shareholders 30s. per share—10s. for current dividend and 20s. in arrear; we have, as you know, just declared a dividend of 15s. out of profits arising from the sale of diamond stocks since 30th June last, which still leaves a balance of 15s. per share up to the end of 1922. In declaring this dividend, the Board has exercised business caution, feeling that we must commence replenishing our cash resources. Naturally, we would have been glad to have declared more, as a very large majority of Preference Shareholders are composed of small holders, a large number of whom entirely or partly depend on these dividends to pay living expenses. There are a large number of Shareholders resident in South Africa, and they are increasing very considerably every year; they, with the Shareholders resident elsewhere, look forward with anxiety to the declaration of dividends, and it is a source of gratification that we are in a position again to give them some return on their investment, and at the same time to tell

them that if the diamond market does not weaken and sales continue only on the present limited scale, they can rest assured that on or before the end of 1923 they will be paid all arrears and current dividends, and that a dividend will also be declared on the Deferred shares. (Applause.)

For eleven months the whole of our staff, including the General Manager and heads of departments, agreed to accept half pay, but their devotion to the Company's interests did not slacken in the slightest degree. Their position, like that of the Directors, was not a bed of roses; they shared with us the pain of having to retrench and place hundreds of men on the allowance list. The easiest and most pleasant time for those in responsibility is when everything is going smoothly in a normal diamond market. The trying time we have passed through has taxed our financial and mental resources to the utmost, but I am pleased to say the Management and Staff were equal to the occasion. As a modest man, I cannot claim for the Board the praise I have justly paid to the officials; this is really a matter for the Shareholders, and we are perfectly satisfied to leave it to their judgment. (Applause.)

Before I finish I should like to say that a large majority of our employees suffered during the prolonged retrenchment, but they never murmured; they remained here taking their chance of being re-employed by the Company; it will indeed be a red letter day when we can find full work for all of them. (Hear, hear.)

I now beg to move, said Sir David, that the Directors' Report, Balance Sheet and Profit and Loss Account for the year ended June 30th, 1922, be approved and adopted, and I will ask Mr. Compton to second the proposition.

Mr. G. W. Compton said: I have pleasure in seconding the Chairman's motion for the adoption of the Directors' Report, Balance Sheet and Profit and Loss Account for the financial year ended June 30th, 1922.

The Chairman asked if there was any Shareholder who wished to address the meeting, whereupon Dr. Zweiback asked several questions anent items appearing in the accounts. Sir David Harris gave a detailed answer to each, and the doctor expressed himself satisfied, and thanked the Chairman.

On the proposition being put to the meeting for the adoption of the report and accounts, the Chairman declared it carried unanimously, amid applause.

Sir David Harris: It is now my duty to report that in terms of clause 84 of the Company's Articles of Association, Mr. Ludwig Breitmeyer, Mr. Percival Ross Frames, C.M.G., and Mr. Solomon Barnato Joel, J.P., retire from office as Directors of the Company, but are eligible and offer themselves for re-election.

Mr. Ellis Weatherby said he had much pleasure in moving that Mr. Ludwig Breitmeyer, Mr. Percival Ross Frames and Mr. Solomon Barnato Joel be re-elected directors of the Company.

Dr. S. Zweiback seconded, and the motion was carried unanimously.

Lieutenant-Colonel H. S. Harris moved that Messrs. Howard Pim and Hardy and Messrs. Salisbury, Beaton and Raynham be appointed auditors for the ensuing year, and that the remuneration to be paid to them be fixed by the Directors.

Mr. H. J. Lancaster seconded, and it was carried unanimously.

The Chairman: That completes the business of the Annual General Meeting of Shareholders.

Extraordinary General Meeting of Shareholders.

Immediately after the termination of the above Meeting, an Extraordinary General Meeting of the Shareholders of the Company was held, in terms of Articles 152 and 153 of the Articles of Association of the Company, when the subjoined resolution was submitted, viz.:—

That the Articles of Association of the Company be altered in manner following:—

1. In Article 40 the words "and provided further that save for the acquisition of new property there shall be no increase of capital," shall be deleted.

2. In Article 117 sub-section (3) the words "provided however that save for the acquisition of new property there shall be no such increase of capital" shall be inserted at the end of the sub-section.

3. That the capital of the Company be increased to £4,750,000 by the creation and issue of 100,000 additional Deferred Shares of £2 10s. each, ranking for dividend and in all other respects pari passu with the existing Deferred Shares in the Company, and that the Directors be empowered to dispose of the aforesaid shares for any purposes they may deem advisable.

The Secretary read the notice convening the Extraordinary Meeting of Shareholders.

Sir David Harris said: Before formally moving the adoption of the resolutions amending the Articles of Association, I consider it to be my duty to inform you that in order to exercise the degree of control to which this Company is entitled by reason of its paramount interest in the diamond industry, your Board has for many years past found it necessary to spend large sums in buying interests in other diamond companies or their sphere of influence. The sums spent to date in this way amount to over three millions sterling, excluding £450,000 still due on these purchases, which have all been defrayed out of profits, no new capital having been raised for this purpose. This policy might be subject to criticism in that the Deferred Shareholders had been deprived of dividends while the Company was extensively increasing its assets. In fairness to the Deferred Shareholders we cannot continue this policy; in order, therefore, to ease the Company's finances,

your Board decided to recommend that the Deferred Share Capital be increased from 1,000,000 to 1,100,000 shares of £2 10s. each, thus increasing the nominal Deferred Share Capital from £2,500,000 to £2,750,000, which, added to the 800,000 Preference Shares of £2 10s. each, would make the total capital £4,750,000.

We propose to utilise the additional 100,000 shares in the following manner: To pay off the existing liability of £450,000, and to exchange one De Beers Deferred Share for two Premier (Transvaal) Diamond Mining Company Deferred Shares. I may state for your information that of the 320,000 issued Deferred Shares of the Premier (Transvaal) Diamond Mining Company we already possess about 209,000 shares, leaving a balance of 111,000 in the hands of the public, who will naturally be at liberty to retain their holding in the Premier Company or exchange them for De Beers Deferred Shares on the terms offered. Of this balance of 111,000, as far as we are aware 14,600 are held by De Beers Directors.

You will observe, gentlemen, that there are three resolutions to be submitted for your consideration. Numbers one and two, referring to Articles 40 and 117 of the Trust Deed, will, when amended, have the effect of altering the Articles of Association so that the Shareholders may increase the capital for any purpose they think fit, but the Directors themselves cannot do so save for the acquisition of new property.

As matters now stand, the capital of the Company could not be increased except for the acquisition of new property.

Among the powers of Directors, mentioned in Article 117 of the Company's Trust Deed, sub-section 3 gives the Directors the power to increase the Company's capital by the creation of new shares up to one-sixth of the nominal capital for the time being, but that was governed by the aforementioned Article 40, which, in addition to the right given to a general meeting to increase the capital, also gave the Directors the same powers.

Now if, as proposed, the restriction is removed from section 40, "that there shall be no increase of capital save for the acquisition of new property," the Directors would have the power to create new shares up to one-sixth of the nominal capital of the Company for the time being. The Directors, however, not feeling justified in asking you to increase their powers in respect of fresh share issues, considered it advisable to add to Article 117, sub-section 3, practically the same words as are to be deleted from Article 40, so that the powers of the Directors in respect of the creation of new shares should not be enlarged. Let me put the matter in a nutshell. Under the present provisions of the Articles of Association, the capital of the Company can only be increased for the acquisition of new property—

(a) By the Shareholders in Extraordinary General Meeting to any extent;

(b) By the Board of Directors, without reference to Shareholders, to the extent of one-sixth of the present capital.

If the proposed amendments be agreed to, Shareholders will have the power to increase the capital of the Company to any extent and for any purpose, whilst the powers of the Board of Directors will remain limited as they are at present.

The Chairman: In order to bring the matter formally before the meeting, I shall be glad if some Shareholder will propose the resolution as advertised.

Mr. Colin Lawrence proposed accordingly.

Mr. Joseph Buck seconded.

The Chairman: I submit the resolution to you clause by clause, namely:—

That the Articles of Association of the Company be altered in manner following:—

(1) In Article 40 the words " and provided further that save for the acquisition of new property there shall be no increase of capital," shall be deleted.

Will Shareholders signify their approval or otherwise in the usual manner?

The Chairman declared the clause carried.

The Chairman then put Clause 2 to the vote as follows:—

(2) In Article 117, sub-section (3) the words " provided however that save for the acquisition of new property there shall be no such increase of capital," shall be inserted at the end of the sub-section.

The Chairman declared the second clause carried.

The Chairman: Since drafting the resolution we have been advised by our solicitors that it would meet the position better if Clause 3 of the resolution were amended, and, acting on their advice, I now propose:—

That all the words after the word " be " on the sixth line of Clause 3 in the published notice be struck out for the purpose of inserting the following:—

And is hereby authorised and empowered to purchase the whole or such number as may be obtainable of Deferred Shares of the nominal value of 2s. 6d. each in the Premier (Transvaal) Diamond Mining Company, Limited, at the price, and subject to the following conditions, namely:—

(a) That from the above-mentioned newly created 100,000 Deferred Shares of this Company the Directors shall within such time as they think fit take and apply such number as may be necessary to deliver in exchange to the holders of Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, one fully paid up Deferred Share in this Company for and in payment of every two Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, to be acquired by this Company as aforesaid.

(b) That in the case of only one or any other uneven number of Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, being acquired from any holder of Deferred Shares in the said Premier (Transvaal) Diamond Mining Company, Limited, the Directors shall have power and authority to sell sufficient of the new shares in this Company in order to pay cash for such single or odd Deferred Shares in the Premier Company on the basis of two Premier Deferred Shares for one Deferred Share in this Company.

(c) That the Directors shall have and are hereby given the power to dispose of the shares constituting the balance of the aforesaid increase of capital in such manner and at such time or times and for such price or consideration as they may deem advisable.

Sir David Harris said this amendment was much more comprehensive and met the situation far better than the original clause (as published in the " Diamond Fields Advertiser " in the notice convening the meeting). He begged formally to propose that all the words after " be " in the sixth line of Clause 3 in the published notice be struck out for the purpose of inserting the words which he had just read.

Mr. H. Rose-Innes seconded.

Mr. Colin Lawrence, with the consent of his seconder, withdrew his proposition so far as it related to Clause 3.

The Chairman then put Clause 3 as amended, and it was carried.

The Chairman: I will now put the whole resolution as amended:—

That the Articles of Association of the Company be altered in manner following:—

1. In Article 40 the words "and provided further that save for the acquisition of new property there shall be no increase of capital," shall be deleted.

2. In Article 117, sub-section (3) the words " provided however that save for the acquisition of new property there shall be no such increase of capital," shall be inserted at the end of the sub-section.

3. That the capital of the Company be increased to £4,750,000 by the creation and issue of 100,000 additional Deferred Shares of £2 10s. each, ranking for dividend and in all other respects pari passu with the existing Deferred Shares in the Company, and that the Board of Directors be and is hereby authorised and empowered to purchase the whole or such number as may be obtainable of Deferred Shares of the nominal value of 2s. 6d. each in the Premier (Transvaal) Diamond Mining Company, Limited, at the price, and subject to the following conditions, namely:—

   (a) That from the above-mentioned newly created 100,000 Deferred Shares of this Company the Directors shall within such time as they think fit take and apply such number as may be necessary to deliver in exchange to the holders of Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, one fully paid up Deferred Share in this Company for and in payment of every two Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, to be acquired by this Company as aforesaid.

   (b) That in the case of only one or any other uneven number of Deferred Shares in the Premier (Transvaal) Diamond Mining Company, Limited, being acquired from any holder of Deferred Shares in the said Premier (Transvaal) Diamond Mining Company, Limited, the Directors shall have power and authority to sell sufficient of the new shares in this Company in order to pay cash for such single or odd Deferred Shares in the Premier Company on the basis of two Premier Deferred Shares for one Deferred Share in this Company.

   (c) That the Directors shall have and are hereby given the power to dispose of the shares constituting the balance of the aforesaid increase of capital in such manner and at such time or times and for such price or consideration as they may deem advisable.

The resolution, as amended, was put to the vote in its entirety and adopted.

Mr. A. Hyam moved that thanks be accorded to Sir David Harris for so ably presiding over the meeting, and it was carried with acclamation.